EATON VANCE CORP
Form 10-K
December 21, 2018

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

x **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended October 31, 2018

or

¨ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from _____________ to ____________

Commission File Number 1-8100

EATON VANCE CORP.

(Exact name of registrant as specified in its charter)

Maryland	04-2718215
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

Two International Place, Boston, Massachusetts 02110
(Address of principal executive offices) (zip code)

(617) 482-8260
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Non-Voting Common Stock ($0.00390625 par value per share)	New York Stock Exchange
(Title of each class)	*(Name of each exchange on which registered)*

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	¨
Emerging growth company	¨		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

Aggregate market value of Non-Voting Common Stock held by non-affiliates of the Registrant, based on the closing price of $54.39 on April 30, 2018 on the New York Stock Exchange was $6,278,619,392. Calculation of holdings by non-affiliates is based upon the assumption, for these purposes only, that executive officers, directors, and persons holding 5 percent or more of the registrant's Non-Voting Common Stock are affiliates.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the close of the latest practicable date.

Class:	Outstanding at October 31, 2018
Non-Voting Common Stock, $0.00390625 par value	116,527,845
Voting Common Stock, $0.00390625 par value	422,935

Eaton Vance Corp.

Form 10-K

For the Fiscal Year Ended October 31, 2018

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PART I

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for Eaton Vance Corp. (Eaton Vance or the Company) includes statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding our expectations, intentions or strategies regarding the future. All statements, other than statements of historical facts, included in this Annual Report on Form 10-K regarding our financial position, business strategy and other plans and objectives for future operations are forward-looking statements. The terms "may," "will," "could," "anticipate," "plan," "continue," "project," "intend," "estimate," "believe," "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. Although we believe that the assumptions and expectations reflected in such forward-looking statements are reasonable, we can give no assurance that they will prove to be correct or that we will take any actions that may now be planned. Certain important factors that could cause actual results to differ materially from our expectations are disclosed in Item 1A "Risk Factors" of this Annual Report on Form 10-K. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by such factors. We disclaim any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Item 1. Business

General

Eaton Vance Corp. provides advanced investment strategies and wealth management solutions to forward-thinking investors around the world. Our principal business is managing investment funds and providing investment management and advisory services to high-net-worth individuals and institutions. Our core strategy is to develop and sustain management expertise across a range of investment disciplines and to offer leading investment strategies and services through multiple distribution channels. In executing our core strategy, we have developed broadly diversified investment management capabilities and a highly functional marketing, distribution and customer service organization. We measure our success as a Company based on investment performance delivered, client satisfaction, reputation in the marketplace, progress achieving strategic objectives, employee development and satisfaction, business and financial results, and shareholder value created.

We conduct our investment management and advisory business through wholly- and majority-owned investment affiliates, which include: Eaton Vance Management, Parametric Portfolio Associates LLC (Parametric), Atlanta Capital Management Company, LLC (Atlanta Capital) and Calvert Research and Management (Calvert). We also offer investment management advisory services through minority-owned Hexavest Inc. (Hexavest).

Through Eaton Vance Management, Atlanta Capital, Calvert and our other affiliates, we manage active equity, income and alternative strategies across a range of investment styles and asset classes, including U.S. and global equities, floating-rate bank loans, municipal bonds, global income, high-yield and investment grade bonds. Through Parametric, we manage a range of systematic investment strategies, including systematic equity, systematic alternatives and managed options strategies. Through Parametric, we also provide custom portfolio implementation and overlay services, including tax-managed and non-tax-managed Custom Core equity strategies, centralized portfolio management of multi-manager portfolios and exposure management services. We also oversee the management of, and distribute, investment funds sub-advised by unaffiliated third-party managers, including global, emerging market and regional equity and asset allocation strategies.

Our breadth of investment management capabilities supports a wide range of strategies and services offered to fund shareholders, retail managed account investors, institutional investors and high-net-worth clients. Our equity strategies encompass a diversity of investment objectives, risk profiles, income levels and geographic representation. Our income investment strategies cover a broad duration, geographic representation and credit quality range and encompass both taxable and tax-free investments. We also offer a range of alternative investment strategies, including commodity- and currency-based investments and absolute return strategies. Although we manage and distribute a wide range of investment strategies and services, we operate in one business segment, namely as an investment adviser to funds and separate accounts. As of October 31, 2018, we had $439.3 billion in consolidated assets under management.

We distribute our funds and retail managed accounts principally through financial intermediaries. We have broad market reach, with distribution partners including national and regional broker-dealers, independent broker-dealers, registered investment advisors, banks and insurance companies. We support these distribution partners with a team of approximately 120 sales professionals covering U.S. and international markets.

We also commit significant resources to serving institutional and high-net-worth clients who access investment management services on a direct basis and through investment consultants. Through our wholly- and majority-owned affiliates and consolidated subsidiaries, we manage investments for a broad range of clients in the institutional and high-net-worth marketplace in the U.S. and internationally, including corporations, sovereign wealth funds, endowments, foundations, family offices and public and private employee retirement plans.

Company History

We have been in the investment management business for over 90 years, tracing our history to two Boston-based investment managers: Eaton & Howard, formed in 1924, and Vance, Sanders & Company, organized in 1934. Eaton & Howard, Vance Sanders, Inc. (renamed Eaton Vance Management, Inc. in June 1984 and reorganized as Eaton Vance Management in October 1990) was formed upon the acquisition of Eaton & Howard, Incorporated by Vance, Sanders & Company, Inc. on April 30, 1979. Following the 1979 merger of these predecessor organizations to form Eaton Vance, our managed assets consisted primarily of open-end mutual funds marketed to U.S. retail investors under the Eaton Vance brand and investment counsel services offered directly to high-net-worth and institutional investors. Over the ensuing years, we have expanded our investment offerings and distribution efforts to include closed-end, private and offshore funds, retail managed accounts, a broad array of investment strategies and services for institutional and high-net-worth investors, NextShares™ exchange-traded managed funds (NextShares) and multiple responsible investing options.

Our long-term growth strategy focuses on developing and growing market-leading investment franchises and expanding our distribution reach into new channels and geographic markets. Recent strategic acquisitions include our fiscal 2017 purchase of substantially all of the business assets of Calvert Investment Management, Inc. (Calvert Investments), Parametric's fiscal 2013 purchase of The Clifton Group Investment Management Company (Clifton) and our fiscal 2012 purchase of a 49 percent interest in Hexavest.

In December 2016, we completed the purchase of substantially all of the business assets of Calvert Investments. Founded in 1976, Calvert Investments became a pioneer in responsible investing in 1982 by launching the first mutual fund to avoid investing in companies doing business in apartheid-era South Africa.

At acquisition, Calvert had $11.9 billion of assets under management. Of this, $2.1 billion had previously been included in the Company's consolidated managed assets because Atlanta Capital is sub-adviser to one of the Calvert-sponsored mutual funds (Calvert Funds). The total managed assets of Calvert, including assets sub-advised by other Eaton Vance affiliates, have grown to $14.7 billion at October 31, 2018. The 24 percent growth in Calvert's managed assets over the 22 months of Eaton Vance's ownership reflects net inflows of $1.5 billion and market price appreciation of $1.3 billion.

The fiscal 2012 purchase of Clifton, which now operates as Parametric's Minneapolis investment center, provided Parametric with a market-leading position in futures- and options-based portfolio implementation services and risk-management strategies. Managed assets of Parametric's Minneapolis investment center have grown from $34.8 billion at purchase in December 2012 to $90.7 billion on October 31, 2018. Parametric recently announced the planned integration of its Seattle and Minneapolis investment centers to provide for better coordination of new strategy development, sales and investment research.

In fiscal 2012, we expanded our global equity offerings by acquiring a 49 percent interest in Hexavest, a Montreal-based investment adviser, and became Hexavest's exclusive distribution partner in all markets outside Canada. Hexavest's assets under management have grown from $11.0 billion at purchase in August 2012 to $13.8 billion on October 31, 2018.

Investment Managers and Distributors

We conduct our consolidated investment management business through Eaton Vance Management, Parametric, Atlanta Capital, Calvert and other direct and indirect subsidiaries, including Boston Management and Research (BMR), Eaton Vance Advisers International Ltd. (EVAIL), Eaton Vance Advisers (Ireland) Limited (EVAI), Eaton Vance Investment Counsel (EVIC), Eaton Vance Management (International) Limited (EVMI) and Eaton Vance Trust Company (EVTC). Eaton Vance Management, Parametric, Atlanta Capital, Calvert, BMR, EVAIL, EVIC and EVMI are all registered with the U.S. Securities and Exchange Commission (SEC) as investment advisers under the Investment Advisers Act of 1940 (the Advisers Act). EVTC, a Maine-chartered trust company, is exempt from registration under the Advisers Act. EVAIL is a wholly-owned Full Scope Alternative Investment Fund Manager licensed by the Financial Conduct Authority (FCA). EVAI is registered with the Central Bank of Ireland and provides management services to the Eaton Vance International (Ireland) Funds Plc (EV UCITS Funds). EVMI is a wholly-owned financial services company registered with the FCA under the Financial Services and Market Act of the United Kingdom (U.K.).

Eaton Vance Distributors, Inc. (EVD), a wholly-owned broker-dealer registered under the Securities Exchange Act of 1934 (the Exchange Act), markets and sells the Eaton Vance-, Parametric- and Calvert-branded funds and retail managed accounts. EVMI markets the EV UCITS Funds and other sponsored strategies and services in Europe and certain other international markets. Eaton Vance Management International (Asia) Pte. Ltd. (EVMIA), a wholly-owned financial services company registered with the Monetary Authority of Singapore (MAS) and holding a Capital Markets Services License for Fund Management, Dealing in Securities, Trading in Futures Contracts and Leveraged Foreign Exchange Trading, markets our affiliates' strategies and services in the Asia Pacific region. EVMIA also operates under the Singapore Companies Act as overseen by the Accounting and Corporate Regulatory Authority in Singapore. Eaton Vance Asia Pacific, Ltd. (Eaton Vance Asia Pacific), a wholly-owned subsidiary of the Company incorporated in Cayman with a branch in Japan, is registered with the Financial Services Authority of Japan as a financial instruments business operator conducting an Investment Advisory and Agency Business as defined in Article 28(3) of the Financial Instruments and Exchange Act. Eaton Vance Asia Pacific acts as an intermediary to promote the asset management capabilities of our affiliates to registered financial instruments business operators. Eaton Vance

Australia Pty. Ltd., a wholly-owned company registered as an Australian propriety company with the Australian Securities and Investment Commission, markets the strategies and services of our affiliates in Australia.

We are headquartered in Boston, Massachusetts. Our affiliates also maintain offices in Atlanta, Georgia; Minneapolis, Minnesota; New York, New York; Seattle, Washington; Washington, District of Columbia; Westport, Connecticut; London, England; Frankfurt, Germany; Singapore; Sydney, Australia; and Tokyo, Japan. Our sales representatives operate throughout the United States and in the U.K., continental Europe, Asia, Australia and Latin America. We are represented in the Middle East through an agreement with a third-party distributor.

Current Developments

We are pursuing five primary strategic priorities to support business growth: (1) building upon and defending our leadership position in specialty strategies and services for high-net-worth and institutional investors; (2) capitalizing on the current interest environment to grow our market position in floating-rate and short-duration fixed income strategies; (3) expanding our leadership position in responsible investing; (4) increasing our global investment capabilities and distribution reach outside the United States; and (5) positioning Eaton Vance to profit from a changing environment for the asset management industry.

In fiscal 2018, we continued to experience strong growth in our Custom Beta strategies, which include Parametric's Custom Core equity and Eaton Vance's laddered municipal and corporate bond separate account strategies. These market-leading offerings combine the benefits of passive investing with the ability to customize portfolios to meet individual preferences and needs. Compared to index mutual funds and exchange-traded funds, Custom Core separate accounts can provide clients with the ability to tailor their market exposures to achieve better tax outcomes and to reflect client-specified responsible investing criteria and desired portfolio tilts and exclusions. In fiscal 2018, net inflows into our Custom Beta strategies offered as retail managed accounts and high-net-worth separate accounts totaled $14.8 billion.

Our line-up of floating-rate and short-duration fixed income strategies demonstrated strong appeal to investors in the rising interest rate environment of fiscal 2018. In fiscal 2018, net inflows into our floating-rate bank loan strategies totaled $5.9 billion, primarily driven by strong sales of our floating-rate income mutual funds offered in the U.S., a market in which we are the market leader. Our lineup of fixed income mutual funds positioned as short- or ultra-short duration, short-term or adjustable-rate generated $1.8 billion of net inflows in fiscal 2018. Among our leading funds in this category are the highly rated Eaton Vance Short-Duration Government Income, Eaton Vance Short-Duration Municipal Opportunities and Eaton Vance Short-Duration Inflation-Protected Income Funds, which are well-suited for income investors who have limited appetite for interest rate risk.

Our leadership position in responsible investing continues to expand. The Calvert Funds are one of the largest and most diversified families of responsibly invested mutual funds, encompassing actively and passively managed equity, fixed and floating-rate income, and asset allocation strategies managed in accordance with the Calvert Principles for Responsible Investment or other responsible investment criteria. Since Calvert became part of Eaton Vance, we have made significant progress growing managed assets in Calvert-branded investment strategies and positioning Calvert as a center for excellence in environmental, social and governance (ESG) research and engagement. Including the Atlanta Capital-subadvised Calvert Equity Fund, assets under management in Calvert strategies grew to $14.7 billion at October 31, 2018 from $12.9 billion at October 31, 2017, reflecting net inflows of $1.9 billion and market price declines of $0.1 billion.

While Calvert is the centerpiece of our responsible investment strategy, our commitment to responsible investing does not end there. In fiscal 2018, Eaton Vance Management launched a program to integrate consideration of responsible investing criteria into the firm's fundamental research processes, capitalizing on Calvert's proprietary ESG research. Atlanta Capital also maintains a significant focus on responsible investing, and Parametric manages over $20 billion of client assets based on client-directed responsible investment criteria. On an overall basis, Eaton Vance is one of the largest participants in responsible investing, a position we are committed to growing in conjunction with rising demand for investment strategies that incorporate ESG-integrated investment research and/or are managed with a dual objective to achieve favorable investment returns and positive societal impact.

Outside the United States, the Company continues to expand investment staff and commit additional client service and distribution resources to support business growth. We now have nearly 75 employees located in five non-U.S. office locations, an increase of 30 percent from the end of fiscal 2017. In fiscal 2018, EVMI hired a five-person global fixed-income team in Frankfurt, Germany, and expanded our Tokyo office to support clients in Japan. Assets managed for clients outside the U.S. increased to $24.9 billion at October 31, 2018 from $24.2 billion at October 31, 2017, reflecting positive net flows of $0.7 billion in fiscal 2018.

While change is a constant in the asset management industry, the pace of change appears to be accelerating. We see this in changing market conditions and demographic trends, shifts in investor sentiment and outlook, advances in information technology, changes in the business strategies of key intermediaries and gatekeepers, and new tax and regulatory initiatives. Through changing market conditions, we strive to anticipate the evolving needs of investors and to develop timely solutions to address their needs. Positioning the Company for continued success amid accelerating change is the primary focus of our strategic initiatives.

Investment Management Capabilities

We provide investment management and advisory services to retail, high-net-worth and institutional investors through funds and separately managed accounts across a broad range of investment mandates. The following table sets forth consolidated assets under management by investment mandate for the dates indicated:

Consolidated Assets under Management by Investment Mandate*[1]*

	October 31,					
(in millions)	2018	% of Total	2017	% of Total	2016	% of Total
Equity[2]	$115,772	26 %	$113,472	27 %	$89,981	27 %

Fixed income[3]	77,844	18	%	70,797	17	%	60,607	18	%
Floating-rate income	44,837	10	%	38,819	9	%	32,107	10	%
Alternative	12,139	3	%	12,637	3	%	10,687	3	%
Portfolio implementation	110,840	25	%	99,615	23	%	71,426	21	%
Exposure management	77,871	18	%	86,976	21	%	71,572	21	%
Total	$439,303	100	%	$422,316	100	%	$336,380	100	%

(1) *Consolidated Eaton Vance Corp. See table on page 41 for managed assets and flows of 49 percent-owned Hexavest, which are not included in the table above.*

(2) *Includes balanced and other multi-asset mandates.*

(3) *Includes cash management mandates.*

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Eaton Vance Investment Affiliates

Eaton Vance provides advanced investment strategies and wealth management solutions to forward-thinking investors around the world. Through our five primary investment affiliates, we offer 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.

Fundamental active managers

History dating to 1924 | AUM: $179.3 billion(1)

Equity	**Alternative**	**Taxable Fixed Income**	**Tax-Advantaged/ Municipal Income**
Dividend/Global Dividend	Commodity	Cash Management	
Emerging/Frontier Markets	Currency	Core Bond/Core Plus	Laddered Municipal
Equity Option	Global Macro	Emerging-Markets Debt	Municipal Income
Global Developed	Hedged Equity	Global	Floating Rate
Global ex U.S.		High Yield	High Yield
Global ex U.S. Small-Cap	**Multi-Asset**	Inflation-Linked	National
Global Small-Cap	Asset Allocation	Investment-Grade Corporate	State Specific
Health Care	Balanced	Laddered Corporate	Opportunistic Municipal
Large-Cap Core	Global Diversified Income	Mortgage-Backed Securities	Tax-Advantaged Bond
Large-Cap Growth		Multi-Asset Credit	
Large-Cap Value	**Floating-Rate Income**	Multisector	
Multi-Cap Growth	Floating-Rate Loan	Preferred Securities	
Real Estate		Short Duration	
Small-Cap		Taxable Municipal	
Small/Mid-Cap			
Tax-Managed			

Investment science in action

Founded in 1987 | AUM: $224.2 billion

Equity	**Alternative**	**Options**	**Income**
Dividend	Commodity	Absolute Return	Enhanced Income
Emerging Markets		Covered Calls	
Global	**Implementation**	Defensive Equity	**Exposure Management**
Global ex U.S.	Centralized Portfolio Management	Dynamic Hedged Equity	Policy Overlay Services
Responsible		Put Selling	
Tax-Managed	Custom Core™		
U.S.			

(1) Includes managed assets of Eaton Vance Investment Counsel, Eaton Vance Trust Company and Boston Management and Research. Also includes managed assets of Eaton Vance-sponsored funds and separate accounts managed by Hexavest and unaffiliated third-party advisers under Eaton Vance supervision.

Specialists in high-quality investing

Founded in 1969 | AUM: $23.4 billion(2)

Equity	**Fixed Income**
Large-Cap Growth	Core Bond
Mid-Large Cap	Intermediate Duration
Small-Cap	Short Duration
SMID-Cap	

A global leader in responsible Investing

History dating to 1976 | AUM: $12.4 billion(2)(3)

Active Equity	**Equity Index**	**Alternative**	**Taxable Fixed Income**
Emerging Markets	Global Energy	Absolute Return Bond	Core/Core Plus
Global ex U.S.	Global ex U.S.		Green Bond
Global ex U.S. Small/Mid-Cap	Global Water	**Multi-Asset**	High Yield
Large-Cap	U.S. Large-Cap Core	Asset Allocation	Long Duration
Mid-Cap	U.S. Large-Cap Growth	Balanced	Short Duration/Ultra-Short
Small-Cap	U.S. Large-Cap Value		
	U.S. Mid-Cap Core	**Floating-Rate Income**	**Tax-Exempt Fixed Income**
		Floating-Rate Loan	Municipal

Top-down global equity managers

Founded in 2004 | AUM: $13.8 billion(4)

Equity

Canadian
Emerging Markets
Global – All Country
Global – Developed
Global ex U.S.

The following third-party organizations provide investment management services as sub-advisers to certain Eaton Vance- and Calvert-sponsored mutual funds and portfolios:

Eaton Vance	**Calvert**
BMO Global Asset Management (Asia) Ltd.	Ameritas Investment Partners, Inc.
Goldman Sachs Asset Management, L.P.	Hermes Investment Management Limited
Oaktree Capital Management, L.P.	Milliman Financial Risk Management LLC
Richard Bernstein Advisors LLC	

(2) Consistent with the Company’s policies for reporting managed assets and flows of investment portfolios for which multiple Eaton Vance affiliates have management responsibilities, the managed assets of Atlanta Capital include the assets of Calvert Equity Fund, for which Atlanta Capital serves as sub-adviser. The total managed assets of Calvert, including assets sub-advised by other Eaton Vance affiliates, were $14.7 billion as of October 31, 2018.

(3) Includes managed assets of Calvert-sponsored funds and separate accounts managed by unaffiliated third-party advisers under Calvert supervision.

(4) Eaton Vance holds a 49 percent interest in Hexavest Inc., a Montreal-based investment adviser. Other than Eaton Vance-sponsored funds for which Hexavest is adviser or sub-adviser, the managed assets of Hexavest are not included in Eaton Vance’s consolidated totals.

Investment Vehicles

Our consolidated assets under management are broadly diversified by distribution channel and investment vehicle. The following table sets forth our consolidated assets under management by investment vehicle for the dates identified:

Consolidated Assets under Management by Investment Vehicle*[(1)]*

	October 31,								
(in millions)	2018	% of Total		2017	% of Total		2016	% of Total	
Open-end funds[(2)]	$102,426	24	%	$97,601	23	%	$74,721	22	%
Closed-end funds	23,998	5	%	24,816	6	%	23,571	7	%
Private funds[(3)]	38,544	9	%	34,436	8	%	27,430	8	%
Institutional separate accounts	153,996	35	%	159,986	38	%	136,451	41	%
High-net-worth separate accounts	44,690	10	%	39,715	9	%	25,806	8	%
Retail managed accounts	75,649	17	%	65,762	16	%	48,401	14	%
Total	$439,303	100	%	$422,316	100	%	$336,380	100	%

(1) Consolidated Eaton Vance Corp. See table on page 41 for managed assets and flows of 49 percent-owned Hexavest, which are not included in the table above.
(2) Includes assets in NextShares funds.
(3) Includes privately offered equity, fixed income and floating-rate income funds and collateralized loan obligation (CLO) entities.

Open-end Funds

As of October 31, 2018, our open-end fund lineup included equity funds, floating-rate bank loan funds, taxable fixed income funds, state and national municipal income funds, alternative funds and multi-asset funds sold to U.S. and non-U.S. investors.

Our family of equity funds includes a broad range of fundamental active and systematic strategies in a variety of equity styles and market caps, managed both with and without consideration of shareholder tax effects, as well as Calvert-sponsored index funds. Assets under management in non-tax-managed active equity, tax-managed active equity and equity index funds totaled $33.6 billion, $7.2 billion and $2.4 billion, respectively, on October 31, 2018.

Since introducing our first floating-rate bank loan fund in 1989, we have consistently ranked as one of the largest managers of retail bank loan funds. Assets under management in open-end floating-rate bank loan funds totaled $25.2 billion on October 31, 2018.

Our taxable fixed income funds cover a broad range of fixed income asset classes, including mortgage-backed securities, high-grade bonds, high-yield bonds, multi-sector bonds, short- and ultra-short duration income, and cash instruments. Assets under management in open-end taxable income funds totaled $16.8 billion on October 31, 2018.

Our family of municipal income mutual funds is one of the broadest in the industry, with 13 national and 17 state-specific funds in 16 different states. As of October 31, 2018, we managed $10.0 billion in open-end municipal income fund assets.

Our alternative funds include absolute return strategies and commodity- and currency-linked investments. We currently offer three absolute return funds in the U.S. and one outside the United States. Assets under management in open-end alternative funds totaled $9.5 billion on October 31, 2018.

The U.S. Charitable Gift Trust and its pooled income funds are designed to simplify the process of donating to qualified charities and to provide professional management of pools of donated assets. Assets under management in the U.S. Charitable Gift Trust and its pooled income funds, which are included in fund assets under management as described above, totaled $612.6 million at October 31, 2018.

Our Ireland- and Cayman Island-domiciled open-end funds offer a range of investment strategies to non-U.S. investors. At October 31, 2018, managed assets in funds sold outside the U.S., which are included in fund assets under management as described above, totaled $2.2 billion.

As of October 31, 2018, 66 of our U.S. mutual funds were rated 4 or 5 stars by Morningstar™ for at least one class of shares, including 28 five-star rated funds. A good source of performance-related information for our funds is our website, www.eatonvance.com. On our website, investors can also obtain other current information about our funds, including investment objective and principal investment policies, portfolio characteristics, expenses and Morningstar ratings.

Closed-end Funds

Our family of closed-end funds includes national and state-specific municipal bond, domestic and global equity, bank loan, multi-sector income and taxable income funds, three of which are term trusts. As of October 31, 2018, we managed $24.0 billion in closed-end fund assets, ranking as the third-largest manager of U.S. exchange-listed closed-end funds, according to Strategic Insight, a fund industry data provider.

Private Funds

Our private fund category consists primarily of privately offered equity funds designed to meet the diversification and tax-management needs of qualifying high-net-worth investors. We are recognized as a market leader for these types of privately offered equity funds, with $22.0 billion in assets under management as of October 31, 2018. Also included in private funds are equity, floating-rate bank loan and fixed income funds offered to institutional investors. Assets under management in these funds, which include cash instrument entities and collective trusts as well as leveraged and unleveraged loan funds, totaled $14.7 billion as of October 31, 2018. CLO entity assets included in the private fund category totaled $1.8 billion at October 31, 2018.

Institutional Separate Accounts

We serve a broad range of clients in the institutional marketplace, both in the U.S. and internationally, including government, corporate and union retirement plans, endowments and foundations, nuclear decommissioning trusts, asbestos litigation trusts, sovereign wealth funds and investment funds sponsored by others for which we serve as a sub-adviser. Our diversity of capabilities allows us to offer domestic and international institutional investors a broad spectrum of equity, fixed and floating-rate income, alternative and multi-asset strategies, as well as portfolio implementation and exposure management services.

We have used EVTC, a non-depository trust company, as a platform to launch a series of commingled funds tailored to meet the needs of smaller institutional clients. EVTC also affords us the opportunity to participate in qualified plan commingled investment platforms offered in the broker-dealer channel. In addition to investment management services, EVTC provides certain custody services and has obtained regulatory approval to provide institutional trustee services.

Institutional separate account assets under management totaled $154.0 billion at October 31, 2018.

High-net-worth Separate Accounts

We offer high-net-worth and family office clients personalized investment counseling services through EVIC. At EVIC, investment counselors work directly with clients to establish long-term financial programs and implement strategies designed for achieving their objectives. The Company has been in this business since the founding of Eaton and Howard in 1924.

Also included in high-net-worth separate accounts are Custom Core equity portfolios managed by Parametric for family offices and high-net-worth individuals. In managing Custom Core accounts, Parametric seeks to match the returns of a client-specified equity benchmark and add incremental returns on an after-tax basis and/or to reflect the investment restrictions and exposure tilts specified by the client. Parametric's offerings for the high-net-worth and family office market also include investment programs that utilize option overlay strategies to help clients customize their risk and return profiles through the use of disciplined options strategies.

High-net-worth separate account assets under management totaled $44.7 billion at October 31, 2018, with $40.2 billion managed by Parametric and $4.5 billion by EVIC.

Retail Managed Accounts

Retail managed accounts are separately managed accounts offered through the retail intermediary distribution channel. We entered this business in the 1990s by offering Eaton Vance Management-managed municipal bond separate accounts, and later expanded our offerings with the addition of Atlanta Capital- and Parametric-managed account strategies. We now participate in over 50 retail managed account broker-dealer programs.

Included in our retail managed account offerings is our Custom Beta suite of separately managed account strategies, which encompasses Parametric Custom Core equity and Eaton Vance Management laddered municipal bond and corporate bond strategies. According to Cerulli Associates, an investment research firm, Eaton Vance ranked as the third-largest manager of retail managed account assets as of September 30, 2018. Our retail managed account assets under management totaled $75.6 billion at October 31, 2018.

Investment Management and Related Services

Our direct and indirect wholly-owned subsidiaries Eaton Vance Management and BMR are investment advisers to all Eaton Vance- and Parametric-branded funds, and Calvert is investment adviser to the Calvert funds. Although the specifics of our fund advisory agreements vary, the basic terms are similar. Pursuant to the advisory agreements, Eaton Vance Management, BMR or Calvert provides overall investment management services to each internally advised fund, subject, in the case of funds that are registered under the Investment Company Act of 1940 (1940 Act) (Registered Funds), to the supervision of each fund's board of trustees or directors (together, trustees) in accordance with the fund's investment objectives and policies. Parametric, Atlanta Capital, Hexavest and unaffiliated advisory firms act as sub-adviser to Eaton Vance Management, BMR or Calvert for certain funds.

Eaton Vance Management provides administrative services, including personnel and facilities, necessary for the operation of all Eaton Vance- and Parametric-branded funds, and Calvert provides such services for the Calvert Funds, subject to the oversight of each fund's board of trustees. For certain funds, administrative services are provided under comprehensive management agreements that also include investment advisory services; other funds have separate administrative services agreements. Administrative services include recordkeeping, preparing and filing documents required to comply with federal and state securities laws, legal, fund administration and compliance services, supervising the activities of the funds' custodians and transfer agents, providing assistance in connection with the funds' shareholder meetings and other administrative services, including providing office space and office facilities, equipment and personnel that may be necessary for managing and administering the business affairs of the funds. Each agreement remains in effect indefinitely, subject to, in the case of Registered Funds, annual approval by each fund's board of trustees. The funds generally bear all expenses associated with their operation and the issuance and redemption or repurchase of their securities, except for the compensation of trustees and officers of the fund who are employed by us. For certain sponsored funds, Eaton Vance Management, BMR or Calvert waives a portion of its management fee and/or pays some expenses of the fund.

For Registered Funds, a majority of the independent trustees (i.e., those unaffiliated with us or any adviser controlled by us and deemed non-interested under the 1940 Act) must review and approve the investment advisory and administrative agreements annually. The fund trustees generally may terminate these agreements upon 30 to 60 days' notice without penalty. Shareholders of Registered Funds generally must approve amendments to the investment advisory agreements.

Eaton Vance Management has entered into an investment advisory and administrative agreement with the U.S. Charitable Gift Trust. In addition, the U.S. Charitable Gift Trust and its pooled income funds have distribution agreements with EVD that provide for reimbursement of the costs of fundraising and servicing donor accounts.

Either Eaton Vance Management, Parametric, Atlanta Capital, Calvert, BMR or EVIC has entered into an investment advisory agreement for each separately managed account and retail managed account program that sets forth the account's investment objectives and fee schedule, and provides for management of assets in the account in accordance with the stated investment objectives. Our separate account portfolio managers may assist clients in formulating investment strategies.

EVTC is the trustee for each collective investment trust and is responsible for designing and implementing each trust's investment program or overseeing sub-advisers managing each trust's investment portfolio. As trustee, EVTC also provides certain administrative and accounting services to each trust. For services provided under each trust's declaration of trust, EVTC receives a monthly fee based on the average daily net assets of the trust.

Investment counselors and separate account portfolio managers employed by our subsidiaries make investment decisions for the separate accounts we manage, tailoring portfolios to the needs of particular clients. We generally receive investment advisory fees for separate accounts quarterly, based on the value of the assets managed on a particular date, such as the first or last calendar day of a quarter, or, in some instances, on the average assets for the period. These advisory contracts are generally terminable upon 30 to 60 days' notice without penalty.

The following table shows our management fees earned for the fiscal years ended October 31, 2018, 2017 and 2016:

	Years Ended October 31,		
(in thousands)	2018	2017	2016
Investment advisory fees:			
Funds	$963,365	$862,178	$760,137
Separate accounts	444,206	390,688	342,097
Administrative fees:			
Funds	74,325	65,275	48,964
Total	$1,481,896	$1,318,141	$1,151,198

Marketing and Distribution

We market and distribute shares of Eaton Vance-, Parametric- and Calvert-branded funds domestically through EVD. EVD sells fund shares through a network of financial intermediaries, including national and regional broker-dealers, banks, registered investment advisors, insurance companies and financial planning firms. The Eaton Vance International (Ireland) Funds are Undertakings for Collective Investments in Transferable Securities (UCITS) funds domiciled in Ireland and sold by EVMI through certain intermediaries and directly to investors who are citizens of the U.K., other member nations of the European Union (E.U.) and other countries outside the United States. The Eaton Vance International (Cayman Islands) Funds are Cayman Islands-domiciled funds sold by EVD and EVMI through intermediaries to non-U.S. investors.

Although the firms in our domestic retail distribution network have each entered into selling agreements with EVD, these agreements (which generally are terminable by either party) do not legally obligate the firms to sell any specific amount of our investment strategies and services. EVD currently maintains a sales force of approximately 120 external and internal wholesalers who work closely with financial advisors in the retail distribution network to assist in placing Eaton Vance-, Parametric- and Calvert-branded funds.

Certain sponsored mutual funds have adopted distribution plans as permitted by the 1940 Act that provide for the fund to pay EVD distribution fees for the sale and distribution of shares and service fees for personal and/or shareholder account services (12b-1 fees). Each distribution plan and distribution agreement with EVD for the Registered Funds is initially approved and its subsequent continuance must be approved annually by the board of trustees of the respective funds, including a majority of the independent trustees.

EVD makes payments to financial intermediaries that provide marketing support, shareholder recordkeeping and transaction processing, and/or administrative services to the Eaton Vance-, Parametric- and Calvert-branded mutual funds. Payments are typically based on fund net assets, fund sales and/or number of accounts attributable to that financial intermediary. Registered Funds may pay all or a portion of shareholder recordkeeping and transaction processing and/or administrative services provided to their shareholders. Financial intermediaries also may receive payments from EVD in connection with educational or due diligence meetings that include information concerning our funds.

EVD currently sells Eaton Vance-, Parametric- and Calvert-branded mutual funds under six primary pricing structures: front-end load commission (Class A); level-load commission (Class C); Calvert variable product pricing (Class F); institutional no-load (Class I, Class R6, and Institutional Class, referred to herein as Class I);

retail no-load (Investor Class and Advisers Class, referred to herein as Class N); and retirement plan level-load (Class R).

For Class A shares, the shareholder may be required to pay a sales charge to the selling broker-dealer of up to five percent and an underwriting commission to EVD of up to 75 basis points of the gross value of the shares sold. Under certain conditions, we waive the sales load on Class A shares and the shares are sold at net asset value. EVD generally receives (and then pays to authorized firms after one year) a distribution and service fee of up to 30 basis points of average net assets annually on Class A shares. In recent years, most of the Company's sales of Class A shares have been made on a load-waived basis through various fee-based programs. EVD does not receive underwriting commissions on such sales.

For Class C shares, the shareholder pays no front-end commissions but may be subject to a contingent deferred sales charge on redemptions made within the first twelve months of purchase. EVD pays a commission and the projected first year service fees to the dealer at the time of sale. The fund makes monthly distribution plan and service fee payments to EVD at an annual rate of up to 75 basis points and 25 basis points, respectively, of average net assets of the Class. EVD retains the distribution and service fees paid to EVD for the first twelve months and pays the distribution and service fees to the dealer after one year.

Class F shares of Calvert variable products are offered at net asset value and are not subject to any sales charges. The Company receives, and then generally pays to dealers, distribution fees of up to 25 basis points of average daily net assets annually.

Class I shares are offered at net asset value and are not subject to any sales charges, underwriter commissions, distribution fees or service fees. For designated Class I shares, a minimum investment of $250,000 or higher is normally required. Designated Institutional Class shares are normally subject to a minimum investment of $50,000. Sales of R6 shares are limited to participating retirement plans and certain other investors.

Class N shares are offered at net asset value and are not subject to any sales charges or underwriter commissions. EVD receives (and then pays to authorized firms after one year) combined distribution and service fees of 25 basis points of average net assets annually.

Class R shares are offered at net asset value with no front-end sales charge. The Company receives, and then generally pays to dealers, distribution fees of 25 basis points and service fees of 25 basis points of average net assets annually.

We also sponsor unregistered equity funds that are privately placed by EVD, as placement agent, and by various sub-agents to whom EVD and the subscribing shareholders make sales commission payments. The privately placed equity funds are managed by Eaton Vance Management and BMR.

The marketing and distribution of investment strategies to institutional and high-net-worth clients is subsidiary-specific. Eaton Vance Management has institutional sales, consultant relations and client service teams dedicated to supporting the U.S. marketing and sales of strategies managed by Eaton Vance Management, Calvert and Hexavest. Hexavest maintains its own marketing and distribution team to service institutional clients in Canada. Parametric and Atlanta Capital each maintain separate marketing and distribution teams to sell their respective investment strategies to U.S.-based institutions and high-net-worth investors. Parametric also maintains a dedicated institutional marketing and

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distribution team focused on the Australian and New Zealand markets. EVMI is otherwise responsible for the institutional marketing and distribution of all Eaton Vance Management-, Parametric-, Atlanta Capital-, Calvert- and Hexavest-advised strategies to institutions outside of North America.

During the fiscal year ended October 31, 2018, there were no customers that provided over 10 percent of our total revenue.

Regulation

Eaton Vance Management, Parametric, Atlanta Capital, Calvert, BMR, EVIC, EVMI and EVAIL are each registered with the SEC under the Advisers Act. The Advisers Act imposes numerous obligations on registered investment advisers, including fiduciary duties, recordkeeping requirements, operational requirements and disclosure obligations. Most Eaton Vance-, Parametric- and Calvert-branded funds are registered with the SEC under the 1940 Act. The 1940 Act imposes additional obligations on fund advisers, including governance, compliance, reporting and fiduciary obligations relating to the management of funds. Except for privately offered funds and exchange-listed funds exempt from registration, each U.S. fund is also required to make notice filings with most states and U.S. territories where it is offered for sale. Virtually all aspects of our investment management business in the U.S. are subject to various federal and state laws and regulations. These laws and regulations are primarily intended to benefit shareholders of the funds and separate account clients, and generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict us from carrying on our investment management business in the event we fail to comply with such laws and regulations. In such event, the possible sanctions that may be imposed include the suspension of individual employees, limitations on Eaton Vance Management, Parametric, Atlanta Capital, Calvert, BMR, EVIC, EVMI and EVAIL engaging in the investment management business for specified periods of time, the revocation of any such company’s registration as an investment adviser, and other censures or fines.

Under a final rule and interpretive guidance issued by the Financial Stability Oversight Council (FSOC) in April 2012, certain non-bank financial companies have been designated for the Federal Reserve’s supervision as systemically important financial institutions (SIFIs). Additional non-bank financial companies, which may include large asset management companies such as us, may be designated as SIFIs in the future. If the Company were designated a SIFI, it would be subject to enhanced prudential measures, which could include capital and liquidity requirements, leverage limits, enhanced public disclosures and risk management requirements, annual stress testing by the Federal Reserve, credit exposure and concentration limits, supervisory and other requirements. These heightened regulatory obligations could, individually or in the aggregate, adversely affect the Company’s business and operations.

Eaton Vance Management, Parametric and BMR are registered with the Commodity Futures Trading Commission (CFTC) and the National Futures Association (NFA) as Commodity Pool Operators and Commodity Trading Advisors; other subsidiaries of the Company claim exemptions from registration. In August 2013, the CFTC adopted rules for operators of registered mutual funds that are subject to registration as Commodity Pool Operators, generally allowing such funds to comply with SEC disclosure, reporting and recordkeeping rules as the means of complying with CFTC's similar requirements. These CFTC rules do not, however, relieve registered Commodity Pool Operators from compliance with applicable anti-fraud provisions and certain performance reporting and recordkeeping requirements. The Company may incur ongoing costs associated with monitoring compliance with these requirements, including, but not limited to, CFTC and NFA registration and exemption obligations and the periodic reporting requirements of Commodity Pool Operators and Commodity Trading Advisors.

Our mutual funds, privately offered funds and separate accounts that trade CFTC-regulated instruments are also regulated by the CFTC. In the event that Eaton Vance Management, Parametric or BMR fails to comply with applicable requirements, the CFTC may suspend or revoke its registration, prohibit it from trading or doing business with registered entities, impose civil penalties, require restitution and seek fines or imprisonment for criminal violations. In the event that clients on whose behalf we trade CFTC-regulated instruments fail to comply with requirements applicable to their trading, they would be subject to the foregoing remedies excluding suspension of license (provided they are not registered). In addition, to the extent any of the entities trade on a futures exchange or Swap Execution Facility, they would be subject to possible sanction for any violation of the facility’s rules.

EVTC is registered as a non-depository Maine Trust Company and is subject to regulation by the State of Maine Bureau of Financial Institutions (Bureau of Financial Institutions). EVTC is subject to certain capital requirements, as determined by the Examination Division of the Bureau of Financial Institutions. At periodic intervals, regulators from the Bureau of Financial Institutions examine the Company’s and EVTC’s financial condition as part of their legally prescribed oversight function. There were no violations by EVTC of these capital requirements in fiscal 2018 or prior years.

EVD is registered as a broker-dealer under the Exchange Act and is subject to regulation by the Financial Industry Regulatory Authority (FINRA), the SEC and other federal and state agencies. EVD is subject to the SEC’s net capital rule designed to enforce minimum standards regarding the general financial condition and liquidity of broker-dealers. Under certain circumstances, this rule may limit our ability to make withdrawals of capital and receive dividends from EVD. EVD’s regulatory net capital consistently exceeded minimum net capital requirements during fiscal 2018. The securities industry is one of the most highly regulated in the United States, and failure to comply with related laws and regulations can result in the revocation of broker-dealer licenses, the imposition of censures or fines, and the suspension or expulsion from the securities business of a firm, its officers or employees.

EVMI is regulated by the FCA as an authorized firm under a MiFID license to conduct regulated business. EVMI’s primary business purpose is to distribute investment strategies and services in Europe and other non-U.S. markets. Through its Frankfurt branch, EVMI also provides discretionary investment management services. Under the Financial Services and Markets Act 2000 (FSMA), EVMI is subject to certain liquidity and capital requirements. Such requirements may limit our ability to make withdrawals of capital from EVMI. In addition, failure to comply with such requirements could jeopardize EVMI’s approval to conduct business in the United Kingdom. There were no violations by EVMI of the liquidity and capital requirements in fiscal 2018 or prior years.

EVAI is regulated by the Central Bank of Ireland as a UCITS management company. EVAI’s primary business purpose is to provide management services to Eaton Vance International (Ireland) Funds Plc. EVAI is subject to certain liquidity and capital requirements, which may limit our ability to make withdrawals of capital from EVAI. There were no violations by EVAI of the liquidity and capital requirements in fiscal 2018 or prior years.

EVMIA is regulated by the MAS. EVMIA's primary business purpose is to conduct investment management activities and distribute investment strategies. Under MAS, EVMIA is subject to certain liquidity and capital requirements, which may limit our ability to make withdrawals of capital from EVMIA. There were no violations by EVMIA of the liquidity and capital requirements in fiscal 2018 or prior years.

EVAIL is regulated by the FCA as a Full Scope Alternative Investment Fund Manager. EVAIL's primary business is conducting discretionary investment management services. Under FSMA, EVAIL is subject to certain liquidity and capital requirements, which may limit our ability to make withdrawals of capital from EVAIL. Failure to comply with such requirements could jeopardize EVAIL's approval to conduct business in the United Kingdom. There were no violations by EVAIL of the liquidity and capital requirements in fiscal 2018.

Our officers, directors and employees may from time to time own securities that are held by one or more of the funds and separate accounts we manage. Our internal policies with respect to individual investments by investment professionals and other employees with access to investment information require prior clearance of most types of transactions and reporting of all securities transactions, and restrict certain transactions to seek to avoid possible conflicts of interest. All employees are required to comply with all prospectus restrictions and limitations on purchases, sales or exchanges of shares of our mutual funds, and to pre-clear purchases and sales of shares of our closed-end funds.

Competition

The investment management business is a highly competitive global industry. We are subject to substantial competition in each of our principal investment classifications and distribution channels. There are few barriers to entry for new firms, and consolidation within the industry continues to alter the competitive landscape. According to the Investment Company Institute, there were approximately 850 fund sponsors at the end of calendar 2017 that competed in the U.S. mutual fund market. We compete with these firms, many of which have substantially greater resources, on the basis of investment performance, diversity of offered strategies, distribution capability, scope and quality of service, fees charged, reputation and the ability to develop new investment strategies and services to meet the changing needs of investors.

In recent years, investor demand for passive investment strategies, such as those employed by index mutual funds and index exchange-traded funds (ETFs), has outpaced the demand for higher-fee actively-managed investment strategies. Across many asset classes, actively-managed strategies as a whole are experiencing net outflows. While our Custom Beta lineup of rules-based separate managed accounts, Calvert index funds and other passive strategies are positioned to benefit from market demand for passive investment strategies, a large majority of our management fee revenue is derived from active strategies. The continuing shift in market demand toward index funds and other passive strategies reduces opportunities for active managers and may accelerate fee compression.

In the retail fund channel, we compete with other mutual fund management, distribution and service companies that distribute through affiliated and unaffiliated sales forces, broker-dealers and direct sales to the public. According to the Investment Company Institute, at the end of calendar 2017 there were over 9,700 registered open-end funds whose shares were being offered to the public in the United States. We rely primarily on intermediaries to distribute our funds, and pursue sales relationships with all types of intermediaries to broaden our distribution network. A failure to maintain strong relationships with intermediaries that distribute our funds could adversely affect our gross and net sales, assets under management, revenue and financial condition.

We are also subject to substantial competition from other investment management firms in the retail managed account channel. Sponsors of retail managed account programs limit the number of approved managers within their programs, and firms compete based on investment performance and other considerations to win and maintain positions in these programs.

In the high-net-worth and institutional separate account channels, we compete with other investment management firms based on the breadth of investment strategies and services offered, investment performance, strength of reputation, price and the scope and quality of client service.

Employees

On October 31, 2018, we and our controlled subsidiaries had 1,764 full-time and part-time employees. On October 31, 2017, the comparable number was 1,638.

Available Information

We make available free of charge our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13 and 15(d) of the Exchange Act as soon as reasonably practicable after such filing has been made with the SEC. Reports may be viewed and obtained on our website at www.eatonvance.com, or by calling Investor Relations at 617-482-8260. We have included our website address in this Annual Report on Form 10-K as inactive textual reference only. Information on our website is not incorporated by reference into this Annual Report on Form 10-K.

Item 1A. Risk Factors

We are subject to substantial competition in all aspects of our investment management business. Our funds and separate accounts compete against a large number of investment strategies and services sold to the public by investment management companies, investment dealers, banks, insurance companies and others. Many institutions we compete against have greater financial resources than us, and there are few barriers to entry. We compete with these firms on the basis of investment performance, diversity of offerings, distribution capability, scope and quality of services, reputation and the ability to develop new investment strategies and services to meet the changing needs of investors. To the extent that current or potential customers decide to invest in strategies sponsored by our competitors, the sales of our sponsored strategies, as well as our market share, revenue and net income, could decline. Our actively managed investment strategies compete not only against other active strategies, but also against similarly positioned index strategies. The continuing shift in market demand toward index funds and other passive strategies reduces opportunities for active managers and may accelerate fee compression as active managers reduce their fees to compete with lower cost passive strategies. To the extent that trend continues, our business could be adversely affected.

The investment management industry is highly competitive and investment management customers are increasingly fee sensitive. In the event that competitors charge lower fees for substantially similar strategies and services, we may be forced to compete increasingly on the basis of price to attract and retain customers. Rules and regulations applicable to Registered Funds provide, in substance, that each investment advisory agreement between a fund and its investment adviser continues in effect from year to year only if its continuation is approved at least annually by the fund's board of trustees. Periodic review of fund advisory agreements could result in a reduction in the Company's advisory fee revenues from Registered Funds. Fee reductions on existing or future strategies and services could have an adverse impact on our revenue and net income.

The inability to access clients through intermediaries could have a material adverse effect on our business. Our ability to market investment strategies and services is highly dependent on access to the various distribution systems of national and regional securities dealer firms, which generally offer competing strategies and services that could limit the distribution of our offerings. There can be no assurance that we will be able to retain access to these intermediaries. The inability to have such access could have a material adverse effect on our business. To the extent that existing or potential customers, including securities broker-dealers, decide to invest in or broaden distribution relationships with our competitors, the sales of our strategies and services, as well as our market share, revenue and net income, could decline. Certain intermediaries with which we conduct business charge the Company fees to maintain access to their distribution networks. If we choose not to pay such fees, our ability to distribute our strategies and services through those intermediaries would be limited.

Our investment advisory agreements are subject to termination on short notice or non-renewal. We derive almost all of our revenue from management fees, distribution income and service fees received from managed funds and separate accounts. As a result, we are dependent upon management contracts, administrative contracts, distribution contracts, underwriting contracts and/or service contracts under which these fees are paid. Generally, these contracts are terminable upon 30 to 60 days' notice without penalty. If material contracts are terminated, not renewed or amended to reduce fees, our financial results could be adversely affected.

Our assets under management, which affect revenue, are subject to significant fluctuations. Our major sources of revenue, including investment advisory, administrative, distribution and service fees, are generally calculated as percentages of assets under management. Fee rates for our investment strategies and services generally vary by investment mandate (e.g., equity, fixed income, floating-rate income, alternative, portfolio implementation or exposure management services) and investment vehicle (e.g., fund or separate account). An adverse change in asset mix by mandate or vehicle, independent of our level of assets under management, may result in a decrease in our overall average effective fee rate. Any decrease in the level of our assets under management generally would reduce our revenue and net income. Assets under management could decrease due to, among other things, a decline in securities prices, a decline in the sales of our investment offerings, an increase in open-end fund redemptions or client withdrawals, repurchases of, or other reductions in, closed-end fund shares outstanding, or reductions in leverage used by investment vehicles. Adverse market conditions and/or lack of investor confidence in the financial markets could lead to a decrease in investor risk tolerance. A decrease in investor risk tolerance could result in investors withdrawing from markets or decreasing their rate of investment, thereby reducing our overall assets under management and adversely affecting our revenue, earnings and growth prospects. Changes in investor risk tolerance could also result in investor allocation away from higher-fee strategies to lower-fee strategies, which could adversely affect our revenue and earnings. Our overall assets under management may not change in tandem with overall market conditions, as changes in our assets under management may lag improvements or declines in the overall market due to mix effects and investment performance.

Poor investment performance of the assets we manage could affect our sales or reduce the amount of assets under management, adversely affecting revenue and net income. The performance of the assets we manage is critical to our success. Poor investment performance on an absolute basis or as compared to third-party benchmarks or competitors could lead to a decrease in sales and stimulate higher redemptions, thereby lowering the amount of assets under management and reducing the investment advisory fees we earn. A decline in investment performance of any investment franchise could have a material adverse effect on the level of assets under management, revenue and net income of that franchise. Past or present performance in the investment strategies we manage is not indicative of future performance.

Our clients can withdraw the assets we manage on short notice, making our future client and revenue base unpredictable. Our open-end fund clients generally may redeem their investments in these funds each business day without prior notice. While not subject to daily redemption, closed-end funds that we manage

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may shrink in size due to repurchases of shares in open-market transactions or pursuant to tender offers, or in connection with distributions in excess of realized returns. Institutional and individual separate account clients can terminate their relationships with us generally at any time. In a declining stock market, the pace of open-end fund redemptions could accelerate. Poor performance of the assets we manage relative to other asset management firms could result in lower purchases and increased redemptions of open-end fund shares, and the loss of institutional and individual separate accounts. The decrease in revenue that could result from any of these events could have a material adverse effect on our business.

We could be adversely affected by counterparty or client defaults. As we have seen in periods of significant market volatility, the deteriorating financial condition of one financial institution may materially and adversely affect the performance of others. We, and the funds and accounts we manage, have exposure to many different counterparties, and routinely execute transactions with counterparties across the financial industry. We, and the funds and accounts we manage, may be exposed to credit, operational or other risk in the event of a default by a counterparty or client, or in the event of other unrelated systemic market failures.

Our success depends on key personnel and our financial performance could be negatively affected by the loss of their services. Our success depends upon our ability to attract, retain and motivate qualified portfolio managers, analysts, investment counselors, sales and management personnel, and other key professionals, including our executive officers. Our key employees generally do not have employment contracts and may voluntarily terminate their employment at any time. Certain senior executives and the non-employee members of our Board of Directors are subject to our mandatory retirement policy at age 65 and age 74, respectively. The loss of the services of key personnel or our failure to attract replacement or additional qualified personnel could negatively affect our financial performance. An increase in compensation to attract or retain personnel could result in a decrease in net income.

Our expenses are subject to fluctuations that could materially affect our operating results. Our results of operations are dependent on our level of expenses, which can vary significantly from period to period. Our expenses may fluctuate as a result of, among other things, variations in the level of compensation, expenses incurred to support distribution of our investment strategies and services, expenses incurred to develop new strategies and services, expenses incurred to enhance our technology, compliance and other infrastructure, impairments of intangible assets or goodwill, and the impact of inflation. Increases in our level of expenses, or our inability to reduce our level of expenses when necessary, could materially affect our operating results.

Our business is subject to operational risk. In the management and administration of funds and client accounts, we are subject to the risk that we commit errors that cause the Company to incur financial losses and damage our reputation. Because they involve large numbers of accounts and operate at generally low fee rates, our portfolio implementation and exposure management services businesses may be particularly susceptible to losses from operational or trading errors.

We could be adversely affected by changes in tax laws. Changes in U.S. tax policy may affect us to a greater degree than many of our competitors because we manage significant assets in funds and separate accounts with an after-tax return objective. The Tax Cuts and Jobs Act enacted into U.S. law in December 2017 (2017 Tax Act) included a permanent reduction in the corporate income tax rate. This change in future tax rates caused the carrying value of our deferred tax assets to be lowered. Issuance of additional technical guidance related to the 2017 Tax Act may also pose future risk to our assets under management.

Exposure to additional tax liabilities could have a material impact on our financial condition, results of operations and/or liquidity. Tax authorities may disagree with certain positions we take and assess additional taxes. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our financial statements. We are subject to ongoing tax audits in various jurisdictions, including several states. Changes in tax laws or tax rulings could materially affect our effective tax rate.

Our reputation could be damaged. We have built a reputation of high integrity, prudent investment management and superior client service. Our reputation is extremely important to our success. Any damage to our reputation could result in client withdrawals from funds or separate accounts that are advised by us and ultimately impede our ability to attract and retain key personnel. The loss of either client relationships or key personnel due to damage to our reputation could reduce the amount of assets under management and cause us to suffer a loss in revenue and a reduction in net income. Increasingly, we must manage actual and potential conflicts of interest, including situations where our services to a particular client conflict, or are perceived to conflict, with the interests of another client or our affiliates. Failure to adequately address or disclose potential conflicts of interest could adversely affect our reputation, results of operations and business prospects.

Success of our NextShares initiative is highly uncertain. In recent years, the Company has devoted substantial resources to the development of NextShares, a new type of actively managed fund designed to provide better performance for investors. Broad market adoption and commercial success requires the development of expanded distribution, the launch of NextShares by other fund sponsors and acceptance by market participants, which cannot be assured.

Support provided to developing new strategies and services may reduce fee income, increase expenses and expose us to potential loss on invested capital. We may support the development of new investment offerings by waiving all or a portion of the fees we receive, by subsidizing expenses or by making seed capital investments. Seed investments utilize Company capital that would otherwise be available for general corporate purposes and expose us to capital losses to the extent that realized investment losses are not offset by hedging gains. The risk of loss may be greater for seed capital investments that are not hedged, or if an intended hedge does not perform as expected. Failure to have or devote sufficient capital to support new investment offerings could have an adverse impact on our future growth.

We may need to raise additional capital or refinance existing debt in the future, and resources may not be available to us in sufficient amounts or on acceptable terms. Significant future demands on our capital include contractual obligations to service our debt, satisfy the terms of non-cancelable operating leases and purchase non-controlling interests in our majority-owned subsidiaries as described more fully in Contractual Obligations in Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of this Annual Report on Form 10-K and in Note 10 in Item 8 of this Annual Report on Form 10-K. Although we believe our existing liquid assets, cash flows from operations and borrowing capacity under our credit facility are sufficient to meet our current and forecasted operating cash needs, our ability to satisfy our long-term contractual obligations may be dependent on our ability to access capital markets. Our ability to access capital markets efficiently depends on a number of factors, including the state of global credit and equity markets, interest rates, credit spreads and our credit ratings. If we are unable to access capital markets to issue new debt, refinance existing debt or sell shares of our Non-Voting Common Stock as needed, or if we are unable to obtain such financing on acceptable terms, our business could be adversely affected.

We could be subject to losses and reputational harm if we, or our agents, fail to properly safeguard sensitive and confidential information or as a result of cyber attacks. We are dependent on the effectiveness of our information and cyber security policies, procedures and capabilities to protect our computer and telecommunications systems and the data that resides in, or is transmitted through, such systems. As part of our normal operations, we maintain and transmit confidential information about our clients and employees as well as proprietary information relating to our business operations. We maintain a system of internal controls designed to provide reasonable assurance that fraudulent activity, including misappropriation of assets, fraudulent financial reporting and unauthorized access to sensitive or confidential data, is either prevented or detected on a timely basis. Nevertheless, all technology systems remain vulnerable to unauthorized access and may be corrupted by cyber attacks, computer viruses or other malicious software code, the nature of which threats are constantly evolving and becoming increasingly sophisticated. In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information. Although we take precautions to password protect and encrypt our mobile electronic hardware, if such hardware is stolen, misplaced or left unattended, it may become vulnerable to hacking or other unauthorized use, creating a possible security risk and resulting in potentially costly actions by us. Breach or other failure of our technology systems, including those of third parties with which we do business, or failure to timely and effectively identify and respond to any such breach or failure, could result in the loss of valuable information, liability for stolen assets or information, remediation costs to repair damage caused by the incident, additional security costs to mitigate against future incidents and litigation costs resulting from the incident. Moreover, loss of confidential customer identification information could harm our reputation, result in the termination of contracts by our existing customers and subject us to liability under state, federal and international laws that protect confidential personal data, resulting in increased costs, loss of revenues and substantial penalties. Effective in May 2018, the E.U. significantly increased the potential penalties for noncompliance with requirements for the handling and maintenance of personal and sensitive data concerning customers and employees. Our failure to comply with these requirements could result in penalties of up to four percent of our global revenues, regulatory action and reputational risk. Recent well-publicized security breaches at other companies have led to enhanced government and regulatory scrutiny of the measures taken by companies to protect against cyber attacks, and may in the future result in heightened cyber security requirements, including additional regulatory expectations for oversight of vendors and service providers.

Failure to maintain adequate infrastructure could impede our productivity and ability to support business growth. Our infrastructure, including our technological capacity, data centers and office space, is vital to the operations and competitiveness of our business. The failure to maintain an infrastructure commensurate with the size and scope of our business, including any expansion, could impede our productivity and growth, which could result in a decline in our earnings.

Failure to maintain adequate business continuity plans could have a material adverse impact on us and the investment strategies and services we offer. Significant portions of our business operations and those of our critical third-party service providers are concentrated in a few geographic areas, including Boston, Massachusetts and Seattle, Washington. Critical operations that are geographically concentrated in Boston and/or Seattle include trading operations, information technology, fund administration, and custody and portfolio accounting services for the Company's investment offerings. Should we, or any of our critical service providers, experience a significant local or regional disaster or other business continuity problem, our continued success will depend in part on the safety and availability of our personnel, our office facilities and the proper functioning of our computer, telecommunication and other related systems and operations. The failure by us, or any of our critical service providers, to maintain updated adequate business continuity plans, including backup facilities, could impede our ability to operate in the event of a disruption, which could cause our earnings to decline. We have developed various backup systems and contingency plans but cannot be assured that they will be adequate in all circumstances that could arise or that material disruptions will not occur. In addition, we rely to varying degrees on outside vendors for disaster contingency support, and we cannot be assured that these vendors will be able to perform in an adequate and timely manner. If we, or any

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of our critical service providers, are unable to respond adequately to such an event in a timely manner, we may be unable to continue our business operations, which could lead to a damaged reputation and loss of customers that results in a decrease in assets under management, lower revenues and reduced net income.

We pursue growth in the United States and abroad in part through acquisitions, which exposes us to risks inherent in assimilating new operations, expanding into new jurisdictions and executing on new development opportunities. Our growth strategy is based in part on the selective development or acquisition of asset management or related businesses that we believe will add value to our business and generate positive net returns. This strategy may not be effective, and failure to successfully develop and implement such a strategy may decrease earnings and harm the Company's competitive position. We cannot guarantee that we will identify and consummate any such transactions on acceptable terms or have sufficient resources to accomplish such a strategy. In addition, any strategic transaction can involve a number of risks, including additional demands on our staff; unanticipated problems regarding integration of operating facilities, technologies and new employees; and the existence of liabilities or contingencies not disclosed to or otherwise known by us prior to closing a transaction. As a result, the Company may not be able to realize net benefits from such transactions. In addition, we may be required to spend additional time or money on integration that would otherwise be spent on the development of our business.

Expansion into international markets and the introduction of new investment strategies and services increases our operational, regulatory and other risks. We continue to increase the scope of our investment offerings and the scale of our international business activities. As a result, we face increased operational, regulatory, compliance and reputational risks. The failure of our compliance and internal control systems to properly mitigate such additional risks, or of our operating infrastructure to support such expansion, could result in operational failures and regulatory fines or sanctions. Our operations in the U.K., the E.U., Australia, Singapore and other jurisdictions are subject to significant compliance, disclosure and other obligations. We incur additional costs to satisfy the requirements of the E.U. Directive on UCITS and other E.U. directives (together, the E.U. Directives). Compliance requirements relating to the E.U. Directives may also limit our operating flexibility and affect our ability to expand in European markets. Activity in international markets also exposes us to fluctuations in currency exchange rates, which may adversely affect the U.S. dollar value of revenues, expenses and assets associated with our business activities outside the United States. Actual and anticipated changes in current exchange rates may also adversely affect international demand for our investment strategies and services, most of which represent investments primarily in U.S. dollar-based assets. Because certain of our costs to support international business activities are based in local currencies, the profitability of such activities in U.S. dollar terms may be adversely affected by a weakening of the U.S. dollar versus other currencies in which we derive significant revenues.

The impact of the U.K.'s exit from the E.U. (Brexit) on the Company's business operations in the U.K. and Europe is unknown, and will vary depending on the final terms of the impending separation agreement. Ongoing changes in the E.U.'s regulatory framework applicable to the Company's operations, including Brexit as well as any other changes in the composition of the E.U.'s member states, may add complexity to the Company's global operations, impede expansion and/or impose additional risks.

Legal and regulatory developments affecting the investment industry could increase our regulatory costs and/or reduce our revenues. Our business is subject to complex and extensive regulation by various regulatory authorities in jurisdictions around the world. This regulatory environment may be altered without notice by new laws or regulations, revisions to existing regulations or new interpretations or guidance. Global financial regulatory reform initiatives may result in more stringent regulation, and changes in laws or regulations and their application to us could have a material adverse impact on our business, our profitability and mode of operations. In recent years, regulators in both the United States and abroad have increased oversight of the financial sector of the economy. Some of the newly adopted and proposed regulations are focused directly on the investment management industry, while others are more broadly focused, but affect our industry. It is uncertain how regulatory trends will be affected by current and future political developments.

Under a final rule and interpretive guidance issued by FSOC, certain non-bank financial institutions have been designated for the Federal Reserve's supervision as SIFIs. Additional non-bank financial companies, which may include large asset management companies such as us, may be designated as SIFIs in the future. If we are designated a SIFI, we would be subject to enhanced prudential measures, which could include capital and liquidity requirements, leverage limits, enhanced public disclosures and risk management requirements, annual stress testing by the Federal Reserve, credit exposure and concentration limits, supervisory and other requirements. These heightened regulatory obligations could, individually or in the aggregate, adversely affect our business and operations.

Eaton Vance Management, Parametric and BMR are registered with the CFTC and the NFA as Commodity Pool Operators and Commodity Trading Advisors; other subsidiaries of the Company claim exemptions from registration. The CFTC generally allows operators of registered mutual funds that are subject to registration as Commodity Pool Operators to comply with SEC disclosure, reporting and recordkeeping rules as the means of complying with CFTC's similar requirements. These CFTC rules do not, however, relieve registered Commodity Pool Operators from compliance with applicable anti-fraud provisions or certain performance reporting and recordkeeping requirements. The Company may incur ongoing costs associated with monitoring compliance with these requirements, including, but not limited to, CFTC and NFA registration and exemption obligations and the periodic reporting requirements of Commodity Pool Operators and Commodity Trading Advisors.

The regulation of derivatives markets has undergone substantial change in recent years and such change may continue. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), and regulations promulgated thereunder require many derivatives to be cleared and traded on an exchange, expand entity registration requirements, impose business conduct requirements on counterparties, and impose other regulatory requirements that will continue to change derivative markets as regulations are implemented. Additional regulation of the derivatives markets may make the use of derivatives more costly, may limit the availability or reduce the liquidity of derivatives, and may impose limits or restrictions on the counterparties to derivative transactions.

Certain of our subsidiaries are required to file quarterly reports on Form PF for private funds they manage, pursuant to systemic risk reporting requirements adopted by the SEC. These filings require significant investments in people and systems to ensure timely and accurate reporting. Further investment will be necessary in the coming years as we implement rules adopted by the SEC in 2016 that amended Form ADV and established Form N-PORT to require additional reporting for the separate accounts and Registered Funds we manage, respectively.

In 2016, the U.S. Department of Labor (DOL) began introducing changes to definitions and rules relating to fiduciaries serving holders of qualified retirement accounts. After several delays and challenges, the U.S. Court of Appeals for the Fifth Circuit vacated the DOL’s conflict-of-interest rule, but the DOL has announced a conditional enforcement policy pending issuance of further guidance and is likely to re-propose changes to the definitions and rules relating to fiduciaries that will materially affect how advice can be provided to retirement account holders in 401(k) plans, individual retirement accounts and other qualified retirement programs. We may need to modify our interactions or limit distribution to retirement plans, which could negatively affect our results of operations.

Our revenues and expenses may also be adversely affected by the new rule adopted in 2016 by the SEC to address liquidity risk management by registered open-end funds and the new rule proposed in 2015 to address use of derivatives by registered open-end and closed-end funds. These rules could limit investment opportunities for certain funds we manage and increase our management and administration costs. Additionally, in April 2018, the SEC proposed a package of rulemakings and interpretations designed to enhance the standard of care for broker-dealers and reiterate the SEC's standards for investment advisers. The SEC's promulgation or enactment of an enhanced standard of care could also increase our costs of doing business.

In Europe, the revised Markets in Financial Instruments Directive (MiFID II Directive) and the Markets in Financial Instruments Regulation (MiFIR) (collectively, MiFID II) took effect in January 2018. Implementation of MiFID II significantly affects the structure and operation of the E.U. financial markets and our European operations. Some of the main changes introduced by MiFID II include: (i) enhancing business conduct and governance requirements; (ii) broadening the scope of pre- and post-trade transparency; (iii) enhancing disclosure requirements; (iv) increasing transaction reporting requirements; (v) revising the relationship between client commissions and investment research services; and (vi) further regulating trading revenue.

All of these new and developing laws and regulations will likely result in greater compliance and administrative burdens on us, increasing our expenses.

Our business is subject to risk from regulatory investigation, potential securities laws, liability and litigation. We are subject to federal securities laws, state laws regarding securities fraud, other federal and state laws and rules, and regulations of certain regulatory, self-regulatory and other organizations, including, among others, the SEC, FINRA, the CFTC, the NFA and the New York Stock Exchange. We are also subject to substantial legal and regulatory requirements in the U.K., E.U., Singapore, Japan and other jurisdictions in which we operate outside the U.S. While we have focused significant attention and resources on the development and implementation of compliance policies, procedures and practices, non-compliance with applicable laws, rules or regulations, either in the U.S. or abroad, or our inability to adapt to a complex and ever-changing regulatory environment could result in sanctions against us, which could adversely affect our reputation, business, revenue and earnings. From time to time, various claims or potential claims against us arise, including employment-related claims. We carry insurance in amounts and under terms that we believe are appropriate. We cannot guarantee that our insurance will cover most liabilities and losses to which we may be exposed, or that our insurance policies will continue to be available at acceptable terms and fees. Certain insurance coverage may not be available or may be prohibitively expensive in future periods. As our insurance policies come up for renewal, we may need to assume higher deductibles or pay higher premiums, which would increase our expenses and reduce our net income.

Our Non-Voting Common Stock lacks voting rights. Our Non-Voting Common Stock has no voting rights under any circumstances. All voting power resides with our Voting Common Stock, all shares of which are held by officers of the Company and our subsidiaries and deposited in a voting trust (the Voting Trust) in exchange for "Voting Trust Receipts," which entitle the holder to receive the equivalent of all cash dividends that may be paid to the Voting

Trustees with respect to the deposited shares represented thereby. As of October 31, 2018, there were 22 holders of Voting Trust Receipts representing Voting Common Stock, each holder of which is a “Voting Trustee” of the Voting Trust. Holders of Non-Voting Common Stock should understand that such ownership interests have no ability to vote in the election of the Company’s Board of Directors and no right to direct the Company’s management and strategy.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We conduct our principal operations through leased offices located in Boston, Massachusetts; Atlanta, Georgia; Minneapolis, Minnesota; New York, New York; Seattle, Washington; Washington, District of Columbia; Westport, Connecticut; London, England; Singapore; Sydney, Australia; Tokyo, Japan; and Frankfurt, Germany. For more information, please see Note 20 of our Notes to Consolidated Financial Statements contained in Item 8 of this Annual Report on Form 10-K.

Item 3. Legal Proceedings

We are party to various legal proceedings that are incidental to our business. We believe these legal proceedings will not have a material effect on our consolidated financial condition, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Price Range of Non-Voting Common Stock, Dividend History and Policy

Our Voting Common Stock, $0.00390625 par value, is not publicly traded, and was held as of October 31, 2018 by 22 Voting Trustees pursuant to the Voting Trust described in Item 12 hereof, which is incorporated herein by reference. Dividends on our Voting Common Stock are paid quarterly and are equal to the dividends paid on our Non-Voting Common Stock (see below).

Our Non-Voting Common Stock, $0.00390625 par value, is listed on the New York Stock Exchange under the symbol EV. The approximate number of registered holders of record of our Non-Voting Common Stock at October 31, 2018 was 747.

On October 11, 2018, the Company declared a quarterly dividend of $0.35 per share on its common stock. The new quarterly rate represents an increase of 12.9 percent over the $0.31 per share declared in each of the Company's last four fiscal quarters. We currently expect to declare and pay quarterly dividends on our Voting and Non-Voting Common Stock that are comparable to those declared in the fourth quarter of fiscal 2018.

Performance Graph

The following graph compares the cumulative total stockholder return on our Non-Voting Common Stock for the period from November 1, 2013 through October 31, 2018 to that of the cumulative total return of the Standard & Poor's 500 Stock Index (S&P 500 Index), the Morningstar Financial Services Sector Index and the SNL U.S. Asset Manager Index over the same period. The comparison assumes $100 was invested on October 31, 2013 in our Non-Voting Common Stock and the compared indices at the closing price on that day, and the reinvestment of all dividends paid over the period.

In fiscal 2018, we elected to replace the Morningstar Financial Services Sector Index with the SNL U.S. Asset Manager Index. Both indexes are shown below for comparative purposes. The SNL U.S. Asset Manager Index is a composite of 41 publically traded asset management companies therefore providing an industry specific performance benchmark. In contrast, the Morningstar Financial Services Sector Index tracks the performance of companies that include banks, finance companies, money management firms, savings and loans, securities brokers and insurance companies.

Comparison of Five-Year Cumulative Total Shareholder Return

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Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The table below sets forth information regarding purchases by the Company of our Non-Voting Common Stock on a monthly basis during the fourth quarter of fiscal 2018:

(a) Total Number of	(b)	(c) Total Number of Shares Purchased	(d) Maximum Number of Shares That May