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**Eaton Vance Corp.
Fourth Quarter Fiscal 2020 Questions and Answers
November 24, 2020**

The earnings release referenced in this document is available on the Eaton Vance website at eatonvance.com under the heading *Investor Relations*. This document contains forward-looking statements about Eaton Vance's business and financial results. Actual results may differ materially from those projected due to risks and uncertainties in the Company's business, including, but not limited to, those discussed in the Company's SEC filings. These filings, including the Eaton Vance 2019 Annual Report and Form 10-K, are available on the Company's website at no charge.

ACQUISITION OF EATON VANCE BY MORGAN STANLEY

1. What are the principal terms and the status of the proposed acquisition of Eaton Vance by Morgan Stanley?

As announced on October 8, 2020, Eaton Vance and Morgan Stanley have entered into a definitive agreement for Morgan Stanley to acquire Eaton Vance. Under the terms of the merger agreement, Eaton Vance shareholders will receive \$28.25 per share in cash and 0.5833 shares of Morgan Stanley common stock per share of Eaton Vance common stock held. The merger agreement contains an election procedure whereby each Eaton Vance shareholder may elect to receive the merger consideration all in cash or all in stock, subject to proration and adjustment. It is anticipated that the transaction proceeds received in Morgan Stanley stock will not be taxable to Eaton Vance shareholders.

The merger agreement also provides for Eaton Vance shareholders to receive, prior to the close of the transaction, a one-time special dividend of \$4.25 per share of Eaton Vance common stock held. As announced on November 23, 2020, the Eaton Vance Board of Directors has declared the \$4.25 per share special dividend as payable on December 18, 2020 to shareholders of record on December 4, 2020.

The proposed transaction is subject to customary closing conditions and expected to close in the second quarter of 2021. The Company's management believes the proposed transaction is on track to close as scheduled.

2. What was the impact of the proposed acquisition of Eaton Vance by Morgan Stanley on the Company's financial results for the fourth quarter of fiscal 2020?

Eaton Vance recognized \$146.0 million of accelerated stock-based compensation expense upon the vesting of restricted stock awards held by employees and \$8.5 million of legal, consulting and other costs in the fourth quarter of fiscal 2020 in connection with the proposed acquisition of Eaton Vance by Morgan Stanley. The Company's weighted average diluted shares outstanding increased by 4.2 million shares, or 4 percent, in the fourth quarter of fiscal 2020 from the third quarter of fiscal 2020 due principally to the accelerated vesting of

restricted stock awards and the impact of higher market prices of Eaton Vance non-voting common stock. Eaton Vance earnings for the fourth quarter of fiscal 2020 reflect \$0.94 per diluted share of accelerated stock-based compensation expense and \$0.05 per diluted share of other costs recognized in connection with the proposed transaction. The Company's adjusted earnings per diluted share as reported exclude the impact of expenses incurred in connection with the proposed acquisition of Eaton Vance by Morgan Stanley, but have not been adjusted to reverse the impact of the proposed transaction on average diluted shares outstanding.

COMPANY EARNINGS

3. How much did Eaton Vance earn in fiscal 2020?

Eaton Vance earned \$1.20 per diluted share in the fiscal year ended October 31, 2020, which compares to earnings of \$3.50 per diluted share in the fiscal year ended October 31, 2019. As detailed in the earnings release, Eaton Vance reported adjusted earnings per diluted share of \$3.29 for fiscal 2020, a decrease of one percent from \$3.32 of adjusted earnings per diluted share in fiscal 2019.

In fiscal 2020, adjusted earnings exceeded earnings under U.S. generally accepted accounting principles (U.S. GAAP) principally to reflect the reversal of \$108.6 million of accelerated stock-based compensation expense and \$6.3 million of other costs recognized in connection with the proposed acquisition of Eaton Vance by Morgan Stanley, the reversal of \$122.2 million of impairment losses recognized during the fiscal year on the Company's investment in its 49 percent-owned affiliate Hexavest Inc. (Hexavest), the reversal of \$9.0 million of net excess tax benefits related to stock-based compensation awards, the add-back of \$7.6 million of management fees and expenses of consolidated sponsored funds and consolidated collateralized loan obligation (CLO) entities (collectively, consolidated investment entities), and the add-back of \$6.6 million of net losses of consolidated investment entities and the Company's other seed capital investments.

4. How much did Eaton Vance earn in the fourth quarter of fiscal 2020?

Eaton Vance earned \$(0.31) per diluted share in the fourth quarter of fiscal 2020, which compares to earnings of \$0.96 per diluted share in the fourth quarter of fiscal 2019 and \$(0.01) per diluted share in the third quarter of fiscal 2020. As detailed in the earnings release, the Company reported adjusted earnings per diluted share of \$0.88 for the fourth quarter of fiscal 2020, a decrease of 1 percent from \$0.89 of adjusted earnings per diluted share in the fourth quarter of fiscal 2019 and an increase of 7 percent from \$0.82 of adjusted earnings per diluted share in the third quarter of fiscal 2020.

In the fourth quarter of fiscal 2020, adjusted earnings exceeded earnings under U.S. GAAP by \$1.19 per diluted share, reflecting the reversal of the \$108.6 million of accelerated stock-based compensation expense and \$6.3 million of other costs recognized in connection with the proposed acquisition of Eaton Vance by Morgan Stanley, the reversal of the \$21.8 million impairment loss recognized in the fourth quarter on the Company's investment in Hexavest, the reversal of \$2.9 million of net excess tax benefits related to stock-based compensation awards, the add-back of \$1.8 million of net losses of consolidated investment entities and other seed capital investments, and the add-back of \$1.7 million of management fees and expenses of consolidated investment entities.

CONSOLIDATED NET FLOWS AND ASSETS UNDER MANAGEMENT

5. What were Eaton Vance's consolidated net flows in fiscal 2020?

Fiscal 2020 marked Eaton Vance's 25th consecutive year of positive net flows. In fiscal 2020, the Company had consolidated net inflows of \$4.7 billion, or \$8.2 billion excluding Parametric overlay services mandates, which

have more variable flows and lower average fee rates than Eaton Vance's other mandate reporting categories. Internal growth in managed assets (consolidated net flows divided by beginning of period consolidated assets under management) was 1 percent in fiscal 2020, or 2 percent excluding Parametric overlay services. The Company's internal management fee revenue growth (management fees attributable to consolidated inflows less management fees attributable to consolidated outflows, divided by beginning of period consolidated management fee revenue) was 2 percent in fiscal 2020.

6. What were Eaton Vance's consolidated net flows in the fourth quarter of fiscal 2020?

In the fourth quarter of fiscal 2020, the Company had consolidated net inflows of \$5.2 billion, representing 4 percent annualized internal growth in managed assets. Excluding Parametric overlay services, the Company had net inflows of \$4.8 billion and 5 percent annualized internal growth in managed assets in the fourth quarter. The Company's annualized internal management fee revenue growth was 5 percent in the fourth quarter.

7. What were Eaton Vance's assets under management as of October 31, 2020?

As of October 31, 2020, Eaton Vance had consolidated assets under management of \$515.7 billion. That represents an increase of 4 percent from \$497.4 billion of consolidated managed assets at the end of fiscal 2019 and a 2 percent increase from \$507.4 billion of consolidated managed assets at the end of the third quarter of fiscal 2020.

The year-over-year increase in consolidated assets under management reflects annual net inflows of \$4.7 billion, market price appreciation of \$11.3 billion and \$2.3 billion of new managed assets gained in the acquisition of the business assets of WaterOak Advisors, LLC (WaterOak) on October 16, 2020. The sequential increase in consolidated assets under management in the fourth quarter of fiscal 2020 reflects quarterly net inflows of \$5.2 billion, market price appreciation of \$0.9 billion and the \$2.3 billion of new managed assets gained in the WaterOak acquisition.

8. What were the primary drivers of the Company's fiscal 2020 flow results?

By investment mandate reporting category, the fiscal year's consolidated net inflows were driven by \$10.4 billion into fixed income strategies and \$5.7 billion into Parametric custom portfolios. All other mandate reporting categories had negative net flows for the fiscal year: alternative (-\$700 million), equity (-\$2.1 billion), Parametric overlay services (-\$3.5 billion) and floating-rate income (-\$5.0 billion).

The largest contributors to fixed income net flows in fiscal 2020 were Eaton Vance Management (EVM) mortgage-backed securities (\$4.1 billion), high yield (\$2.2 billion), emerging market local debt (\$1.2 billion) and municipal income (\$800 million); Parametric managed municipal (\$1.0 billion); Atlanta Capital short-term high quality fixed income (\$700 million); and Calvert core fixed income (\$700 million) mandates.

Among Parametric custom portfolios, the largest contributors to fiscal 2020 net inflows were Custom Core equity (\$6.2 billion), municipal bond ladder (\$2.1 billion) and corporate bond ladder (\$800 million) separate account mandates. Parametric centralized portfolio management mandates had net outflows of \$3.4 billion. On a combined basis, Custom Core equity and laddered fixed income individual separate accounts had net inflows of \$9.9 billion, which equates to 9 percent internal growth in managed assets.

In the alternative category, fiscal 2020 net outflows were attributable primarily to EVM global macro absolute return mandates, which had net outflows of \$700 million.

Among equity mandates, the leading contributors to the fiscal year's net inflows were EVM privately offered equity diversification funds (\$2.6 billion); Calvert responsible index (\$1.0 billion), large-cap growth (\$1.0 billion), small-cap (\$800 million) and emerging market (\$600 million); and Atlanta Capital core select (\$1.0 billion) and

large-cap growth (\$600 million) mandates. Atlanta Capital SMID-Cap equity mandates had net outflows of \$1.4 billion. Parametric equity mandates had net outflows of \$7.8 billion, led by systematic emerging markets (\$4.1 billion), covered call writing (\$1.7 billion), defensive equity (\$1.2 billion) and enhanced index (\$600 million) mandates

Fiscal 2020 net outflows of \$3.5 billion for Parametric overlay services reflect \$3.5 billion of inflows from net new clients and \$7.0 billion of outflows from net reductions in positions held by continuing clients.

In floating-rate income, fiscal 2020 net outflows of \$5.0 billion reflect \$3.9 billion of open-end fund net outflows, \$1.5 billion of institutional fund and separate account net outflows, and \$400 million of inflows from new CLO assets raised.

By investment affiliate, consolidated net inflows for the fiscal year were \$4.5 billion for Calvert, \$4.0 billion for EVM, \$1.1 billion for Atlanta Capital and -\$4.9 billion for Parametric. Internal growth in managed assets for fiscal 2020 was 23 percent for Calvert, 5 percent for Atlanta Capital, 3 percent for EVM and -2 percent for Parametric. Internal growth in management fee revenue for fiscal 2020 was 25 percent for Calvert, 1 percent for EVM, -2 percent for Parametric and -2 percent for Atlanta Capital.

9. What were the primary drivers of the Company's flow results for the fourth quarter of fiscal 2020?

By investment mandate reporting category, consolidated net inflows for the fourth quarter of fiscal 2020 were driven by net inflows of \$4.6 billion into fixed income strategies, \$1.3 billion into Parametric custom portfolios, \$400 million into Parametric overlay services and \$100 million into floating-rate income mandates. Alternative mandates had net outflows of \$100 million and equity mandates had net outflows of \$1.1 billion.

The largest contributors to fixed income net flows in the fourth quarter of fiscal 2020 were EVM mortgage-backed securities (\$2.2 billion), high yield (\$700 million), emerging market local debt (\$300 million) and municipal income (\$300 million); Parametric managed municipal (\$300 million); and Atlanta Capital short-term high quality fixed income (\$400 million); and Calvert core fixed income (\$200 million) mandates.

Among Parametric custom portfolios, the largest contributors to fourth quarter net inflows were Custom Core equity (\$1.3 billion) and municipal and corporate bond ladder (combined \$400 million) separate account mandates. Parametric centralized portfolio management mandates had net outflows of \$500 million. On a combined basis, Custom Core equity and laddered fixed income individual separate accounts had fourth quarter net inflows of \$900 million, which equates to 3 percent annualized internal growth in managed assets.

Fourth quarter 2020 net inflows of \$400 million for Parametric overlay services reflect \$1.9 billion of inflows from net new clients and \$1.5 billion of outflows from net reductions in positions held by continuing clients.

In floating-rate income, fourth quarter 2020 net inflows of \$200 million reflect \$400 million of new CLO assets raised and \$200 million of net outflows from open-end fund mandates.

In the alternative category, fourth quarter 2020 net outflows were attributable primarily to the Parametric systematic alternative risk premia strategy, which had net outflows of \$100 million.

Among equity mandates, the leading contributors to fourth quarter net inflows were EVM privately offered diversification funds (\$1.0 billion) and Calvert responsible index (\$300 million) mandates. Atlanta Capital SMID-Cap equity mandates had net outflows of \$600 million. Parametric equity mandates had net outflows of \$2.1 billion, led by enhanced index (\$700 million), defensive equity (\$700 million) and systematic emerging markets (\$600 million) mandates.

By investment affiliate, consolidated net inflows for the fourth quarter of fiscal 2020 were \$4.4 billion for EVM, \$1.1 billion for Calvert, -\$100 million for Parametric and -\$200 million for Atlanta Capital. Annualized internal growth in managed assets for the fourth quarter of fiscal 2020 was 18 percent for Calvert, 12 percent for EVM, 0

percent for Parametric and -3 percent for Atlanta Capital. Annualized internal growth in management fee revenue for the fourth quarter of fiscal 2020 was 21 percent for Calvert, 9 percent for EVM, -1 percent for Parametric and -12 percent for Atlanta Capital.

REVENUE

10. How much revenue did the Company realize in fiscal 2020?

In fiscal 2020, the Company's consolidated revenue increased 3 percent to \$1.73 billion from \$1.68 billion in fiscal 2019. Management fees were up 3 percent, as an 8 percent increase in average consolidated assets under management more than offset a decline in the Company's consolidated average management fee rate from 31.6 basis points in fiscal 2019 to 30.3 basis points in fiscal 2020. Performance fees received, which are not reflected in the Company's reported average management fee rates, were \$5.1 million in fiscal 2020 and \$1.7 million in fiscal 2019.

11. How much revenue did the Company realize in the fourth quarter of fiscal 2020?

In the fourth quarter of fiscal 2020, the Company's realized consolidated revenue of \$451.1 million, up 4 percent from the fourth quarter of fiscal 2019 and up 7 percent from the third quarter of fiscal 2020. Management fees increased 5 percent from the year-ago quarter and 7 percent sequentially, reflecting 6 percent and 7 percent increases in average consolidated assets under management for the respective compared periods. Consolidated average annualized management fee rates were 30.5 basis point in the fourth quarter of fiscal 2020, 30.3 basis points in the third quarter of fiscal 2020 and 30.8 basis points in the fourth quarter of fiscal 2019. Performance fees received, which are not reflected in the Company's reported average management fee rates, were \$1.5 million in the fourth quarter of fiscal 2020, \$0.9 million in the third quarter of fiscal 2020 and \$0.1 million in the fourth quarter of fiscal 2019.

OPERATING INCOME

12. What was the Company's operating income in fiscal 2020?

Eaton Vance had consolidated operating income of \$374.2 million in fiscal 2020, which compares to \$520.9 million of operating income in fiscal 2019. Excluding expenses in connection with the proposed acquisition of Eaton Vance by Morgan Stanley and reflecting certain other adjustments from U.S. GAAP as described on Attachment 2 of the earnings release, adjusted operating income of \$538.9 million in fiscal 2020 was up 1 percent from adjusted operating income of \$531.8 million in fiscal 2019.

On an adjusted basis, the Company's operating expenses increased 3 percent to \$1.20 billion in fiscal 2020 from \$1.16 billion in fiscal 2019.

The Company's adjusted operating margin was 31.0 percent in fiscal 2020 versus 31.5 percent in fiscal 2019.

13. What was the Company's operating income (loss) in the fourth quarter of fiscal 2020?

Eaton Vance had consolidated operating income (loss) of \$(13.7) million in the fourth quarter of fiscal 2020, versus consolidated operating income of \$131.2 million in the third quarter of fiscal 2020 and \$135.4 million in the fourth quarter of fiscal 2019. Excluding expenses in connection with the proposed acquisition of Eaton Vance by Morgan Stanley and reflecting certain other adjustments from U.S. GAAP as described on Attachment 2 of the earnings release, adjusted operating income of \$143.1 million in fourth quarter of fiscal 2020 was up 7 percent from adjusted operating income of \$133.4 million in the third quarter of fiscal 2020 and up 3 percent from adjusted operating income of \$138.6 million in the fourth quarter of fiscal 2019.

On an adjusted basis, the Company's operating expenses were \$309.3 million in the fourth quarter of fiscal 2020, an increase of 7 percent from adjusted operating expenses of \$288.6 million in the third quarter of fiscal 2020 and up 4 percent from adjusted operating expenses of \$297.0 million in the fourth quarter of fiscal 2019.

The Company's adjusted operating margin was 31.6 percent in fourth quarter of fiscal 2020, 31.6 percent in the third quarter of fiscal 2020 and 31.8 percent in the fourth quarter of fiscal 2019.

PERFORMANCE OF MANAGED INVESTMENTS

14. How are the investment strategies managed by Eaton Vance performing?

Eaton Vance manages client assets through its consolidated EVM, Parametric, Atlanta Capital and Calvert investment affiliates and 49 percent-owned Hexavest. Each investment affiliate employs one or more distinct investment approaches. On an overall basis, investment performance remains favorable. As of October 31, 2020, the Eaton Vance, Calvert and Parametric mutual funds offered in the U.S. included 32 funds rated five stars by Morningstar, Inc. (Morningstar) for at least one class of shares and an additional 38 funds rated four stars for at least one class of shares. As of the same date, 54 percent of the assets invested in Eaton Vance, Calvert and Parametric U.S. mutual funds were in fund share classes ranking in the top half of their Morningstar category peer group for three-year performance, 68 percent for five-year performance and 77 percent for ten-year performance. On such date, 18 percent of the Company's U.S. mutual fund assets were in fund share classes whose performance ranked in the top quartile of their Morningstar category peers over three years, 46 percent over five years and 55 percent over ten years.

EATON VANCE WATEROAK ADVISORS

15. What is Eaton Vance WaterOak Advisors?

Eaton Vance announced on November 2, 2020 the completion of its acquisition of the business assets of WaterOak Advisors, LLC, a wealth management firm based in Winter Park, Florida with \$2.3 billion of client assets under management. WaterOak has been combined with Eaton Vance Investment Counsel, to form Eaton Vance WaterOak Advisors (EV WaterOak). EV WaterOak provides high-net-worth families and institutions with access to sophisticated wealth management and investment solutions – including financial, estate and tax planning, investment management, and family office and trust services. Operating from Boston, New York and Florida, EV WaterOak has approximately \$11.4 billion of client assets under management and advisement.

IMPACT OF COVID-19 PANDEMIC

16. How is the COVID-19 pandemic affecting the Company's employees and business operations?

Over 95 percent of Eaton Vance employees have been working remotely since March, with only a small number of employees in the office each business day. Employees have adapted readily to working primarily from home, with minimal disruption to day-to-day operations and high levels of client service being maintained. Eaton Vance is deeply committed to the health and safety of its employees and their families, and does not anticipate a broad return to office until the pandemic significantly abates.

INVESTMENT IN HEXAVEST

17. What is happening with the Company's investment in Hexavest?

Hexavest is a Montreal-based boutique investment manager in which Eaton Vance holds a 49 percent equity interest and distribution rights for markets outside Canada, each acquired in 2012. Hexavest specializes in the

management of global equity portfolios for institutional clients, applying a contrarian, top-down approach that emphasizes preservation of capital. Reflecting Hexavest's value investing orientation and defensive positioning in a growth-driven, rising market, performance over recent periods has lagged applicable market benchmarks and most peer managers, driving net outflows and declining assets under management. In the Company's fiscal 2020, Hexavest had net outflows of \$6.2 billion and ended the period with assets under management of \$5.8 billion, down 56 percent from twelve months earlier. Net outflows were \$900 million in the fourth quarter of fiscal 2020, \$2.7 billion in the third quarter of fiscal 2020 and \$400 million in the fourth quarter of fiscal 2019.

The Company recognized impairment losses on its investment in Hexavest of \$100.5 million in the third quarter of fiscal 2020 and an additional \$21.8 million in the fourth quarter of fiscal 2020. The impairment losses recognized on the Company's investment in Hexavest in the third and fourth quarters of fiscal 2020 reflect the net outflows experienced by Hexavest and the associated decline in Hexavest's revenue and profits. The Company remains supportive of Hexavest's leadership and investment approach, and has no plans to change its ownership position in Hexavest. As of October 31, 2020, the carrying value of the Company's investment in Hexavest was \$11.4 million.

LIQUIDITY AND CAPITAL POSITION

18. What is the Company's liquidity and capital position?

As of October 31, 2020, Eaton Vance held \$1.1 billion of cash, cash equivalents and investments in short-term debt securities and \$266 million of seed capital investments in managed funds and separate accounts. The Company has access to a \$300 million line of credit, against which no borrowings are currently outstanding. The Company has \$325 million principal amount of debt due in June 2023 and an additional \$300 million principal amount of debt due in April 2027. Management believes that the Company has ample liquidity and sufficient access to capital to meet all foreseeable needs.

OUTLOOK

19. What is the current focus and outlook of Eaton Vance's leadership team?

The Company's executive leadership is significantly focused on completing the announced acquisition of Eaton Vance by Morgan Stanley and positioning the combined asset management organization to become the world's premier investment manager. Prior to the completion of the Morgan Stanley transaction, Eaton Vance continues to operate on a standalone basis consistent with its mission, core values and established business strategy. As demonstrated by the record quarterly adjusted net income attributable to Eaton Vance Corp. shareholders and the Company's 5 percent annualized internal growth in management fee revenue in the fourth quarter of fiscal 2020, Eaton Vance approaches this milestone event in the Company's history from a position of strong momentum.

