EATON VANCE CORP
Form 10-K
December 18, 2015

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, 2015

or

¨ **Transition Report Pursuant to Section 13 or 15(d) of the Securities and 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 of incorporation) (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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post 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. x

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

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if smaller reporting company)	Smaller reporting company ¨

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 $41.08 on April 30, 2015 on the New York Stock Exchange was $4,662,467,304. 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, 2015
Non-Voting Common Stock, $0.00390625 par value	115,470,485
Voting Common Stock, $0.00390625 par value	415,078

Eaton Vance Corp.

Form 10-K

For the Fiscal Year Ended October 31, 2015

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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 have been 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

Our principal business is managing investment funds and providing investment management and advisory services to high-net-worth individuals and institutions. We seek to develop and sustain management expertise across a range of investment disciplines and to offer leading investment products and services through multiple distribution channels. In executing this 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, reputation in the marketplace, progress achieving strategic objectives, employee development and satisfaction, business and financial results, and shareholder value created.

Through our subsidiaries Eaton Vance Management and Atlanta Capital Management, LLC ("Atlanta Capital") and 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 our subsidiary Parametric Portfolio Associates LLC ("Parametric"), we manage a range of engineered alpha strategies, including systematic equity, systematic alternatives and managed options strategies. Through Parametric, we also provide portfolio implementation and overlay services, including tax-managed core and specialty index strategies, centralized portfolio management of multi-manager portfolios and customized exposure management services. We also oversee the management of, and distribute, investment funds sub-advised by unaffiliated third-party managers, including global, regional and sector equity and asset allocation strategies. Our breadth of investment management capabilities supports a wide range of products and services offered to fund shareholders, retail managed account investors, institutional investors and high-net-worth clients. Although we manage and distribute a wide range of investment products and services, we operate in one business segment, namely as an investment adviser to funds and separate accounts.

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 130 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 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 product and distribution efforts to include closed-end, private and offshore funds, retail managed accounts, a broad array of products and services for U.S. and international institutional and high-net-worth investors and, most recently, unit investment trusts.

Our long-term growth strategy focuses on developing and growing market-leading investment franchises and expanding our product distribution reach into new channels and geographic markets. The development of leading investment franchises may be achieved either organically or through acquisitions. Recent acquisitions include our fiscal 2012 purchase of a 49 percent interest in Hexavest Inc. (“Hexavest”) and Parametric’s fiscal 2013 purchase of The Clifton Group Investment Management Company (“Clifton”). The acquisition of Hexavest, a Montreal-based investment adviser, expanded our global equity investment capabilities. The 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. Hexavest’s assets under management have grown from $11.0 billion at purchase in August 2012 to $13.9 billion on October 31, 2015. Managed assets of what is now Parametric’s Minneapolis investment center have grown from $34.8 billion at purchase in December 2012 to $69.6 billion on October 31, 2015.

Investment Managers and Distributors

We conduct our investment management business through direct and indirect wholly owned subsidiaries Eaton Vance Management, Boston Management and Research ("BMR"), Eaton Vance Investment Counsel ("EVIC"), Eaton Vance (Ireland) Limited ("EVAI"), Eaton Vance Trust Company ("EVTC"), and three other consolidated subsidiaries, Atlanta Capital, Parametric and Parametric Risk Advisors LLC ("Parametric Risk Advisors"), each with a range of investment management capabilities and one or more distinctive investment styles. Eaton Vance Management, BMR, EVIC, Atlanta Capital, Parametric and Parametric Risk Advisors (a wholly owned subsidiary of Parametric) 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"). EVAI, registered under the Central Bank of Ireland, provides management services to the Eaton Vance International (Ireland) Funds Plc. EVTC, a trust company, is exempt from registration under the Advisers Act. 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 and Parametric funds and retail managed accounts. Eaton Vance Management (International) Limited ("EVMI"), a wholly owned financial services company registered under the Financial Services and Market

Act in the United Kingdom, markets our products and services in Europe and certain other international markets. Eaton Vance Management International (Asia) Private Limited (“EVMIA”), a wholly owned financial services company registered under the Singapore Companies Act by the Accounting and Corporate Regulatory Authority in Singapore, markets our products and services in the Asia Pacific region. Eaton Vance Australia Pty. Ltd., a wholly owned company registered as an Australian propriety company with the Australian Securities and Investment Commission, markets our products and services in Australia and New Zealand.

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

Recent Developments

In fiscal 2015, we identified four primary near-term priorities to support our long-term growth strategy: 1) capitalize on our strong investment performance across a broad range of active investment strategies; 2) build out our global equity capabilities to address identified market opportunities; 3) further develop our custom beta separate account offerings and distribution; and 4) advance our NextShares™ exchange-traded managed fund initiative toward market introduction.

As of October 31, 2015, 51 of our mutual funds were rated 4 or 5 stars by Morningstar™ for at least one class of shares. Top-performers included funds in categories such as bank loans, mid-cap growth, high yield and municipal income in which we have well-established, category-leading franchises. Other top-performers, such as our five star-rated balanced, real estate, short-duration government income and short-duration strategic income funds, are not currently category leaders, but represent areas of opportunity in large asset classes. A top strategic priority for fiscal 2016 is to capitalize on strong performance to achieve growth in assets under management.

Edward J. Perkin, former Chief Investment Officer of International and Emerging Markets Equity for Goldman Sachs Asset Management in London, joined Eaton Vance Management as Chief Equity Investment Officer in fiscal 2014, assuming leadership of Eaton Vance Management’s equity management. In fiscal 2015, we launched an initiative to build out Eaton Vance Management’s global equity capability under Mr. Perkin’s direction, hiring a new global group leader and senior portfolio manager in London and building a staff of global team members operating from London, Boston and Tokyo. As they develop a track record and reputation in the marketplace, we believe the global group can contribute meaningfully to the development of Eaton Vance Management’s equity business.

Our custom beta initiative seeks to build on the success we have achieved with Parametric's tax-managed core and Eaton Vance Management's laddered municipal bond separate account offerings. For many years, Parametric's tax-managed core strategy has offered customized separate account exposure to client-specified equity benchmarks with initial and ongoing tax management and tax reporting. Parametric now also offers clients the ability to customize their exposures to reflect their social values and desired factor tilts. Complementing Parametric's custom core equity strategies are Eaton Vance Management's bond ladders, which offer clients low-cost fixed income market exposure through separate accounts holding individual securities. Value-added elements of laddered separate account strategies include initial and ongoing credit analysis, institutional buying power and, again, customization to fit individual client needs. With significant momentum achieved in fiscal 2015, we believe these strategies are well-positioned for further growth in fiscal 2016.

In fiscal 2015, we made significant progress in the development of NextShares exchange-traded managed funds.

NextShares are a new type of actively managed fund designed to provide better performance for investors. As exchange-traded products, NextShares have built-in cost and tax efficiencies. Unlike conventional exchange-traded funds (“ETFs”), NextShares protect the confidentiality of fund trading information and provide buyers and sellers of shares with transparency and control of their trading costs. NextShares can offer significant advantages over both mutual funds and ETFs as vehicles for active investment strategies.

The Company acquired the intellectual property supporting NextShares in November 2010 and subsequently formed a subsidiary, NextShares Solutions LLC (“NextShares Solutions”), to develop and commercialize NextShares. The Company’s NextShares business plan includes developing a family of Eaton Vance-sponsored NextShares funds and licensing the underlying technology and providing related services to other fund sponsors to support their offering of NextShares.

In December 2014, Eaton Vance Management received exemptive relief from the SEC to permit the offering of NextShares. The SEC subsequently issued corresponding exemptive relief permitting the offering of NextShares by 11 other investment advisers that have entered into preliminary license and services agreements with NextShares Solutions. Also during the fiscal year, the SEC approved a request by the NASDAQ Stock Market LLC (“Nasdaq”) to adopt a new rule governing the listing and trading of NextShares and approved Nasdaq’s request to list and trade 18 initial Eaton Vance-sponsored NextShares funds. In December 2015, the SEC declared effective the registration statements of the initial Eaton Vance NextShares funds, the last regulatory step required to launch.

The Company expects to begin the staged introduction of NextShares funds in the first calendar quarter of 2016. 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.

Investment Management Capabilities

We provide investment 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][2]

October 31,

(in millions)	2015	% of Total		2014	% of Total		2013	% of Total	
Equity [(3)]	$90,013	29	%	$96,379	33	%	$93,585	34	%
Fixed income [(4)]	52,373	17	%	46,062	15	%	44,414	16	%
Floating-rate income	35,619	11	%	42,009	14	%	41,821	15	%
Alternative	10,173	3	%	11,241	4	%	15,212	5	%
Portfolio implementation[(5)]	59,487	19	%	48,008	16	%	42,992	15	%
Exposure management[(5)]	63,689	21	%	54,036	18	%	42,645	15	%
Total	$311,354	100	%	$297,735	100	%	$280,669	100	%

(1) *Consolidated Eaton Vance Corp. See table on page 37 for managed assets and flows of 49 percent-owned Hexavest, which are not included in the table above.*

(2) *Assets under management for which we estimate fair value using significant unobservable inputs are not material to the total value of the assets we manage.*

(3) *Includes assets in balanced accounts holding income securities.*
(4) *Includes assets in cash management accounts.*
(5) *Portfolio implementation and exposure management categories were previously reported as a single category, implementation services.*

Our principal investment affiliates Eaton Vance Management, Parametric, Atlanta Capital and Hexavest offer a range of distinctive strategies. Investment approaches include bottom-up and top-down fundamental active management, rules-based systematic alpha investing and implementation of passive strategies. This broad diversification provides us the opportunity to address a wide range of investor needs and to offer products and services suited for various market environments.

The following table sets forth the strategies of our investment affiliates and their respective offerings within each of our investment mandates as of October 31, 2015:

Eaton Vance Management	**Parametric**	**Atlanta Capital**	**Hexavest**
Equity, income and alternative strategies based on in-depth fundamental analysis	*Rules-based alpha-seeking strategies and implementation services*	*High-quality U.S. stock and bond portfolios*	*Global equity and tactical allocation strategies*
Equity:			
Asset Allocation [1] [2]	Defensive Equity	Large-Cap Growth	Canadian
Dividend Income [1]	Dividend Income	Mid-Large Cap Core	Emerging Markets
Equity Option [1]	Dynamic Hedged Equity	Small-Cap Core	European
Global[3]	Emerging Markets [1]	SMID-Cap Core	Global – All Country
Global-Ex-U.S.	Enhanced Income	Socially Responsible	Global – Developed
Global-Ex-U.S. Small-Cap	Equity Option [1]		International
Global Small-Cap [1]	Global		
Health Sciences [4]	Global Small-Cap		
Large-Cap Core	International [1]		
Large-Cap Growth [1]	U.S.		
Large-Cap Value [1]			
Multi-Cap Growth [1]			
Real Estate			
Region Specific [5]			
Small-Cap Core[1]			
SMID-Cap Core			

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Eaton Vance Management	Parametric	Atlanta Capital	Hexavest
Equity, income and alternative strategies based on in-depth fundamental analysis	*Rules-based alpha-seeking strategies and implementation services*	*High-quality U.S. stock and bond portfolios*	*Global equity and tactical allocation strategies*
Fixed Income:			
Cash Management		High Quality Broad Market	
Core Bond			
Core Plus Bond		High Quality Intermediate Term	
Emerging Market Debt			
High Yield		High Quality Short Term	
Inflation-Linked			
Laddered Corporate			
Laddered Municipal			
Mortgage-Backed Securities			
Multi-Sector Income			
Multi-Strategy Income			
Municipal Income			
Preferred Securities			
Tax-Advantaged Bond			
Floating-Rate Income:			
Floating-Rate Loans			
Alternative:			
Commodity	Absolute Return		
Currency	Commodity		
Global Macro Absolute Return	Risk Parity		
Hedged Equity			
Multi-Strategy Absolute Return			
Portfolio Implementation:			
	Centralized Portfolio Management		
	Specialty Index		
	Tax-Managed Core		

Eaton Vance Management	**Parametric**	**Atlanta Capital**	**Hexavest**
Equity, income and alternative strategies based on in-depth fundamental analysis	*Rules-based alpha-seeking strategies and implementation services*	*High-quality U.S. stock and bond portfolios*	*Global equity and tactical allocation strategies*
Exposure Management:			
	Customized Exposure Management		

(1) Includes tax-managed open-end and/or closed-end fund offerings.
(2) Includes Eaton Vance Richard Bernstein All Asset Strategy Fund and Eaton Vance Richard Bernstein Market Opportunities Fund, both sub-advised by Richard Bernstein Advisors LLC.
(3) Includes Eaton Vance Richard Bernstein Equity Strategy Fund, sub-advised by Richard Bernstein Advisors LLC.
(4) Includes Eaton Vance Worldwide Health Sciences Fund, advised by OrbiMed Advisors LLC.
(5) Includes Eaton Vance Greater China Growth Fund and Eaton Vance Greater India Fund, sub-advised by LGM Investments Limited.

Investment Vehicles

Our consolidated assets under management are broadly diversified by distribution channel and 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)	2015	% of Total	2014	% of Total	2013	% of Total
Fund assets:						
Open-end funds	$74,838	24 %	$83,176	28 %	$86,990	31 %
Closed-end funds	24,449	8 %	25,419	8 %	24,911	9 %
Private funds[2]	26,647	8 %	25,969	9 %	21,500	8 %
Total fund assets	125,934	40 %	134,564	45 %	133,401	48 %
Separate account assets:						
Institutional account assets[3]	119,987	39 %	106,443	36 %	95,724	34 %
High-net-worth account assets	24,516	8 %	22,235	7 %	19,699	7 %
Retail managed account assets	40,917	13 %	34,493	12 %	31,845	11 %
Total separate account assets	185,420	60 %	163,171	55 %	147,268	52 %
Total	$311,354	100 %	$297,735	100 %	$280,669	100 %

(1) *Consolidated Eaton Vance Corp. See table on page 37 for managed assets and flows of 49 percent-owned Hexavest, which are not included in the table above.*

(2) *Includes privately offered equity, fixed income and floating-rate bank loan funds and collateralized loan obligation ("CLO") entities.*

(3) *Includes assets in institutional cash management separate accounts.*

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Open-end Funds

As of October 31, 2015, we managed 114 open-end funds, including 10 tax-managed equity funds, 38 non-tax-managed equity funds, 29 state and national municipal income funds, 21 taxable fixed income and cash management funds, six floating-rate bank loan funds and 10 alternative funds sold to U.S. and non-U.S. investors.

We are a leading manager of equity funds designed to minimize the impact of taxes on investment returns, with $7.3 billion in open-end tax-managed equity fund assets under management on October 31, 2015. We began building our tax-managed equity fund family in fiscal 1996 with the introduction of Eaton Vance Tax-Managed Growth Fund 1.1, and have since expanded offerings to include a variety of equity styles and market caps, including large-cap value, multi-cap growth, small-cap, global small-cap, equity asset allocation, equity option and global dividend income.

Our non-tax-managed equity fund offerings include large-cap, multi-cap and small-cap funds in value, core and growth styles, dividend and global dividend income funds, international, global, emerging markets, real estate and other sector-specific funds. Also included in the category are four hybrid funds that generally hold both equities and income securities. Assets under management in open-end non-tax-managed equity funds totaled $21.3 billion on October 31, 2015.

Our family of municipal income mutual funds is one of the broadest in the industry, with 11 national and 18 state-specific funds in 16 different states. As of October 31, 2015, we managed $9.0 billion in open-end municipal income fund assets.

Our taxable fixed income and cash management funds utilize our investment management capabilities in a broad range of fixed income mandates, including mortgage-backed securities, high-grade bond, high-yield bond, multi-sector bond and cash instruments. Assets under management in open-end taxable income funds totaled $12.9 billion on October 31, 2015.

We introduced our first Eaton Vance floating-rate bank loan fund, Eaton Vance Floating-Rate Income Fund, in 1989 and 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 $18.0 billion on October 31, 2015.

The alternative category includes a range of absolute return strategies, as well as commodity- and currency-linked investments. We currently offer four absolute return funds in the U.S. and a global macro strategy that we sell to fund investors outside of the United States. Assets under management in open-end alternative funds totaled $6.4 billion on October 31, 2015.

In fiscal 2000, we introduced U.S. Charitable Gift Trust and its pooled income funds, which are designed to simplify the process of donating to qualified charities and to provide professional management of pools of donated assets. U.S. Charitable Gift Trust was one of the first charities to use professional investment advisors to assist individuals with their philanthropic, estate and tax planning needs. The pooled income funds sponsored by U.S. Charitable Gift Trust provide donors with income during their lifetimes and leave principal to U.S. Charitable Gift Trust and designated charities upon their deaths. Assets under management in U.S. Charitable Gift Trust and its pooled income funds, which are included in the fund assets described above, totaled $477.9 million at October 31, 2015.

Over the past several years, we have launched a number of Ireland and Cayman Island-domiciled open-end funds, which offer a range of our investment strategies to non-U.S. investors. At October 31, 2015, managed assets in our 12 funds sold outside the U.S. totaled $2.1 billion.

As of October 31, 2015, 51 of our open-end funds were rated 4 or 5 stars by Morningstar™ for at least one class of shares, including 17 equity and 34 income 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 product offerings, including investment objective and principal investment policies, portfolio characteristics, expenses and Morningstar™ ratings.

Closed-end Funds

Our family of closed-end funds includes 22 municipal bond funds, 11 domestic and global equity funds, four bank loan funds and two multi-sector income funds. As of October 31, 2015, we managed $24.4 billion in closed-end fund assets and ranked as the third largest manager of exchange-listed closed-end funds in the U.S. according to Strategic Insight, a fund industry data provider.

Private Funds

The private fund category includes 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 $12.7 billion in assets under management as of October 31, 2015. 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 CLO entities, collective trusts and leveraged and unleveraged loan funds, totaled $13.7 billion as of October 31, 2015, including $2.5 billion of assets in CLO entities.

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 and 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 and alternative strategies, as well as portfolio implementation and exposure management services. Our broad expertise provides us the opportunity to customize solutions to help meet our clients' complex investment needs.

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. The trust company also enables us to participate in qualified plan commingled investment platforms offered in the broker-dealer channel. In addition to management services, EVTC provides certain custody services and has obtained regulatory approval to provide institutional trustee services.

Institutional separate account assets under management totaled $120.0 billion at October 31, 2015.

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 core equity portfolios managed by Parametric for family offices and high-net-worth individuals. Parametric's objective in managing these accounts is generally to match the returns of a client-specified equity benchmark and add incremental returns on an after-tax basis and/or 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 $24.5 billion at October 31, 2015, $4.9 billion of which were managed by EVIC and $19.6 billion of which were managed by Parametric and Parametric Risk Advisors.

Retail Managed Accounts

Retail managed accounts include separate accounts managed for individual investors offered through the retail intermediary distribution channel. We entered this business in the 1990s, offering Eaton Vance Management-managed municipal bond separate accounts, and later expanded our offerings with the addition of Atlanta Capital, Parametric, Parametric Risk Advisors and TABS managed accounts. Our entry into the retail managed account business allowed us to leverage the strengths of our retail marketing organization and our relationships with major distributors. We now participate in over 50 retail managed account broker-dealer programs. According to Cerulli Associates, an investment research firm, Eaton Vance ranked as the fifth largest manager of retail managed account assets as of September 30, 2015. Our retail managed account assets totaled $40.9 billion at October 31, 2015.

Investment Management and Related Services

Our direct and indirect wholly owned subsidiaries Eaton Vance Management and BMR are investment advisers to all but one of the Eaton Vance-sponsored funds. Although the specifics of our fund advisory agreements vary, the basic terms are similar. Pursuant to the advisory agreements, Eaton Vance Management or BMR 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 the fund's board of trustees or directors (together, "trustees") in accordance with the fund's investment objectives and policies. Atlanta Capital, Parametric, Parametric Risk Advisors or an unaffiliated advisory firm acts as a sub-adviser to Eaton Vance Management and BMR for certain funds. OrbiMed Advisors LLC ("OrbiMed"), an independent investment management company based in New York, is the investment adviser to Eaton Vance Worldwide Health Sciences Fund.

Eaton Vance Management provides administrative services, including personnel and facilities, necessary for the operation of all Eaton Vance and Parametric funds, subject to the oversight of each fund's board of trustees. These services are provided under comprehensive management agreements with certain funds that also include investment advisory services and through separate administrative services agreements with other funds as discussed below. 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, in the case of Registered Funds, to annual approval by the 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. Under some circumstances, particularly in connection with the introduction of new funds, Eaton Vance Management or BMR may waive a portion of its management fee and/or pay 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 must approve any amendments to the investment advisory agreements.

Eaton Vance Management has entered into an investment advisory and administrative agreement with U.S. Charitable Gift Trust. In addition, 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, BMR, EVIC, Atlanta Capital, Parametric or Parametric Risk Advisors has entered into an investment advisory agreement for each separately managed account and retail managed account program, which 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 the trust's investment program or overseeing sub-advisers managing the trust's investment portfolios. As trustee, EVTC also provides certain administrative and accounting services to the 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 wholly owned and other controlled subsidiaries make investment decisions for the separate accounts we manage. Investment counselors and separate account portfolio managers generally use the same research information as fund portfolio managers, but tailor investment decisions 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 investment advisory and administrative fees earned for the three years ended October 31, 2015, 2014 and 2013 as follows:

	Investment Advisory and Administrative Fees		
(in thousands)	2015	2014	2013
Investment advisory fees –			
Funds	$804,209	$829,087	$769,864
Separate accounts	331,075	330,709	306,886
Administrative fees – funds	61,582	71,392	58,577
Total	$1,196,866	$1,231,188	$1,135,327

Marketing and Distribution of Investment Products

We market and distribute shares of Eaton Vance and Parametric 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 Plc. are Undertakings for Collective Investments in Transferable Securities (“UCITS”) funds domiciled in Ireland and sold by EVMI through certain intermediaries, and in some cases directly, to investors who are citizens of the United Kingdom, member nations of the European Union and other countries outside the United States. The Eaton Vance International (Cayman Islands) Funds are Cayman Island-domiciled funds sold by EVMI and EVD 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 products. EVD currently maintains a sales force of approximately 130 external and internal wholesalers who work closely with financial advisors in the retail distribution network to assist in placing Eaton Vance and Parametric 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 (so-called “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, transaction processing and/or administrative services to the Eaton Vance and Parametric mutual funds and, in some cases, include some or all of our funds in preferred or specialized selling programs. Payments are typically based on fund net assets, sales, transactions processed and/or accounts attributable to that financial intermediary. 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 and Parametric mutual funds under five primary pricing structures: front-end load commission (“Class A”); level-load commission (“Class C”); 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 dollar 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) combined distribution and service fees of up to 30 basis points of average net assets annually on Class A shares. In recent years, a growing percentage 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's 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 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 of the Class 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 and Hexavest. Hexavest maintains its own marketing and distribution team to service institutional clients in Canada. Parametric and Atlanta Capital each maintain subsidiary-specific 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 distribution team focused on the Australian and New Zealand markets. EVMI, based in London, is otherwise responsible for the institutional marketing and distribution of all Eaton Vance Management, Parametric, Atlanta Capital and Hexavest-advised strategies to institutions outside North America.

During the fiscal year ended October 31, 2015 there were no customers that provided over 10 percent of our total revenue.

Regulation

Eaton Vance Management, BMR, EVIC, Atlanta Capital, Parametric and Parametric Risk Advisors 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 and Parametric 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 exempt from registration, each U.S. fund is also required to make notice filings with all states 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, BMR, EVIC, Atlanta Capital, Parametric or Parametric Risk Advisors 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.

In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") was signed into law. The Dodd-Frank Act established enhanced regulatory requirements for non-bank financial institutions designated as "systemically important" by the Financial Stability Oversight Council ("FSOC"). Under a final rule and interpretive guidance issued by FSOC in April 2012, certain non-bank financial companies have been designated 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 impact the Company’s business and operations.

Eaton Vance Management, BMR and Parametric 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 commodity pools 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 as well as 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 Eaton Vance mutual funds, privately offered funds and separate accounts that trade commodity interests are also regulated by the CFTC. In the event that Eaton Vance Management, BMR or Parametric 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 the Eaton Vance clients that trade commodity interests 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 2015 or prior years.

EVD is registered as a broker-dealer under the Exchange Act and is subject to regulation by the Financial Industry Reporting 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 2015. 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 has the permission of the Financial Conduct Authority ("FCA") to conduct a regulated business in the United Kingdom. EVMI's primary business purpose is to distribute our investment products in Europe and certain other international markets. Under the Financial Services and Markets Act of the United Kingdom, EVMI is subject to

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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 2015 or prior years.

EVAI has the permission of the Central Bank of Ireland to conduct its business of providing management services to the Eaton Vance International (Ireland) Funds Plc. EVAI is subject to certain liquidity and capital requirements. Such requirements 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 2015 or prior years.

EVMIA has the permission of the Accounting and Corporate Regulatory Authority ("ACRA") to conduct a regulated business in Singapore. Under the Monetary Authority of Singapore, EVMIA is subject to certain liquidity and capital requirements. Such requirements 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 2015 or prior years.

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 help avoid the possibility of conflicts of interest. All employees are required to comply with all prospectus restrictions and limitations on purchases, sales or exchanges of our mutual fund shares 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 and we are subject to substantial competition in each of our principal product categories 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 more than 800 investment managers at the end of calendar 2014 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 products, distribution capability, scope and quality of service, fees charged, reputation and the ability to develop new investment strategies and products to meet the changing needs of investors.

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 2014 there were almost 9,300 open-end registered funds of varying sizes and investment objectives whose shares were being offered to the public in the United States. We rely primarily on intermediaries to distribute our products 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 products in the retail fund channel could adversely affect our gross and net sales, assets under management, revenue and financial condition.

We are also subject to substantial competition in the retail managed account channel from other investment management firms. 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 product offerings, investment performance, strength of reputation and the scope and quality of client service.

Employees

On October 31, 2015, we and our controlled subsidiaries had 1,473 full-time and part-time employees. On October 31, 2014, the comparable number was 1,448.

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.

The public may read and copy any of the materials we file with the SEC at the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxies and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov.

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 products and services sold to the public by investment management companies, investment dealers, banks, insurance companies and others. Many institutions we compete with 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 products, distribution capability, scope and quality of services, reputation and the ability to develop new investment strategies and products to meet the changing needs of investors. To the extent that current or potential customers decide to invest in products sponsored by our competitors, the sales of our products as well as our market share, revenue and net income could decline.

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 products, we may be forced to compete on the basis of price in order to attract and retain customers. Rules and regulations applicable to registered investment companies 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 funds. Fee reductions on existing or future business and/or the impact of evolving industry fee structures could have an adverse impact on our future revenue and profitability.

The inability to access clients through intermediaries could have a material adverse effect on our business. Our ability to market investment products is highly dependent on access to the various distribution systems of national and regional securities dealer firms, which generally offer competing products that could limit the distribution of our investment products. 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 products 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 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 investment advisory and administrative 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 or service contracts under which these fees are paid. Generally, these contracts are terminable upon 30 to 60 days' notice without penalty. If any of these contracts are terminated, not renewed, or amended to reduce fees, our financial results could be adversely affected.

Our assets under management, which impact 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 products generally vary by investment mandate (e.g., equity, fixed income, floating-rate income, alternative, portfolio implementation or exposure management services) and 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 effective fee rate, thereby reducing our revenue and net income. Any decrease in the level of our assets under management generally would also 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 products, an increase in open-end fund redemptions or client withdrawals, repurchases of or other reductions in

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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 products to lower fee products, 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 total assets under management may lag improvements or declines in the market based upon product mix and investment performance.

Poor investment performance of our products could affect our sales or reduce the amount of assets under management, negatively impacting revenue and net income. Investment performance is critical to our success. Poor investment performance on an absolute basis or as compared to third-party benchmarks or competitor products 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 products 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 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 relative to other asset management firms can result in decreased purchases of open-end fund shares, increased redemptions of open-end fund shares, and the loss of institutional or 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 impacted 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 impact 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 72, 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 the 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 products, expenses incurred to develop new products and franchises, expenses incurred to enhance our infrastructure (including technology and compliance) and impairments of intangible assets or goodwill. 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.

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 or a reduction in net income.

Success of our NextShares initiative is highly uncertain. In recent years, the Company has devoted substantial resources to the development of NextShares exchange-traded managed funds, a new type of actively managed fund designed to provide better performance for investors. The Company made significant progress advancing its NextShares initiative in fiscal 2015 and expects to begin the staged introduction of the initial NextShares funds in the first calendar quarter of 2016. 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 new products may reduce fee income, increase expenses and expose us to potential loss on invested capital. We may support the development of new investment products by waiving all or a portion of the fees we receive for managing such products, by subsidizing expenses or by making seed capital investments. Seed investments in new products 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 products 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 cash flows from operations will be sufficient to meet our future capital 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 impacted.

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 laws that protect confidential personal data, resulting in increased costs or loss of revenues. 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 our products. 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 products. 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 we cannot be assured that they will be adequate in all circumstances that could arise or that material interruptions and 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 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 in the investment management industry.

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 all of the benefits that it hoped to achieve 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 and expansion of our business and services.

Expansion into international markets and the introduction of new products and/or services increases our operational, regulatory and other risks. We continue to increase our product offerings and international business activities. As a result of such expansion, 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 United Kingdom, the European Economic Area, Australia and Singapore are subject to significant compliance, disclosure and other obligations. We incur additional costs to satisfy the requirements of the European Union Directive on Undertakings for Collective Investments in Transferable Securities and the Alternative Investment Fund Managers Directive (together, the “Directives”). The Directives may also limit our operating flexibility and impact 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 products and services, most of which represent investments primarily in U.S. dollar-based assets. Because many of our costs to support international business activities are based in U.S. dollars, the profitability of such activities may be adversely affected by a weakening of the U.S. dollar versus other currencies in which we derive significant revenues.

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 are likely to 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 impact our industry.

In July 2010, the Dodd-Frank Act was signed into law. The Dodd-Frank Act established enhanced regulatory requirements for non-bank financial institutions designated as “systemically important” by the FSOC. Under a final rule and interpretive guidance issued by FSOC in April 2012, certain non-bank financial companies have been designated 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 impact our business and operations.

In February 2012, the CFTC adopted certain amendments to existing rules that required additional registrations in connection with the operation of our mutual funds and certain other products we sponsor that use futures, swaps or other derivatives. Eaton Vance Management, BMR and Parametric are registered with the CFTC and the NFA as Commodity Pool Operators and Commodity Trading Advisors and other subsidiaries of the Company claim exemptions from registration. We may incur ongoing costs associated with monitoring compliance with applicable CFTC and NFA requirements, including registration and exemption obligations and the periodic reporting requirements of Commodity Pool Operators and Commodity Trading Advisors.

Pursuant to the mandate of the Dodd-Frank Act, the CFTC and the SEC have promulgated rules that increase the regulation of over-the-counter derivatives markets. The regulations require many types of derivatives that were previously traded over-the-counter to be executed in regulated markets and submitted for clearing to regulated clearinghouses. Complying with the new regulations may significantly increase the costs of derivatives trading on behalf of our clients. The Dodd-Frank Act also expanded the CFTC's authority to limit the maximum long or short position that any person may take in futures contracts, options on futures contracts and certain swaps. Final rules implementing this authority may be adopted by the CFTC that could require all accounts owned or managed by Commodity Trading Advisors like Eaton Vance Management or BMR to be aggregated towards such "speculative position limits." Complying with these rules may negatively affect the Company's financial condition or performance by requiring changes to existing strategies or preventing an investment strategy from being fully implemented.

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 have required, and will continue to require, significant investments in people and systems to ensure timely and accurate reporting. In addition, proposals by the SEC in 2015 to revise Form ADV and establish Form N-PORT, which would require mutual funds to report information about their monthly portfolio holdings to the SEC in a structured data format, would impose further reporting obligations on us and the funds we manage, if adopted.

In October 2014, the SEC, the Federal Deposit Insurance Corporation, the Federal Reserve and certain other federal regulators finalized regulations that mandate risk retention for securitizations. The rules are effective for securitization transactions collateralized by residential mortgages beginning on December 24, 2015, and for all other securitization transactions beginning on December 24, 2016. Under the final rules, the Company may be required to hold interests equal to 5 percent of the credit risk of the assets of any new CLO entities that we manage (unless the CLO entity invests only in certain qualifying loans) and would be prohibited from selling or hedging those interests in accordance with the limitations on such sales or hedges set forth in the final rule. The new mandatory risk retention requirement for CLO entities may result in the Company having to invest money to launch new CLO entities that would otherwise be available for other uses. Such investments would also subject the Company to exposure to the underlying performance of the assets of the CLO entities and could have an adverse impact on our results of operations or financial condition.

In 2015, the U.S. Department of Labor re-proposed regulations seeking to change the definition of who is an investment advice fiduciary under the Employee Retirement Income Security Act of 1974 ("ERISA") and how advice can be provided to retirement account holders in 401(k) plans, individual retirement accounts and other qualified retirement programs. If the regulations are issued with provisions substantially similar to those of the current draft, they could materially impact the provision of investment services to retirement accounts, which could negatively effect our results of operations. In late 2015, the SEC proposed new rules addressing liquidity risk management by registered open-end funds and the use of derivatives by registered open-end and closed-end funds. If adopted, these rules could limit investment opportunities for certain funds we manage and increase our management and administration costs, with potential adverse effects on our revenues, expenses and results of operations.

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, the FCA and the New York Stock Exchange. 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 United States 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 against us arise in the ordinary course of business, 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.

Changes in corporate tax laws or exposure to additional income 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 have taken 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 impact our effective tax rate.

We could be impacted by changes in tax policy. 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. We believe an increase in overall tax rates would likely have a positive impact on our municipal income and tax-managed equity businesses. An increase in the tax rate on qualified dividends could have a negative impact on our tax-advantaged equity income business. Changes in tax policy could also adversely affect our privately offered equity funds.

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. As of October 31, 2015, there were 21 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 or otherwise to influence the Company’s management and strategic direction.

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; Westport, Connecticut; London, England; Singapore and Sydney, Australia. 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, 2015 by 21 Voting Trustees pursuant to the Voting Trust described in Item 12 hereof, which Item 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 traded 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, 2015 was 980. The high and low common stock sales prices and dividends declared per share were as follows for the periods indicated:

	Fiscal 2015			Fiscal 2014		
	High Price	Low Price	Dividends Per Share	High Price	Low Price	Dividends Per Share
Quarter Ended:						
January 31	$46.75	$36.39	$ 0.250	$43.82	$37.98	$ 0.220
April 30	$44.18	$39.70	$ 0.250	$39.22	$35.03	$ 0.220
July 31	$43.00	$37.85	$ 0.250	$38.66	$35.00	$ 0.220
October 31	$39.72	$32.35	$ 0.265	$39.66	$33.47	$ 0.250

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 2015.

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Performance Graph

The following graph compares the cumulative total shareholder return on our Non-Voting Common Stock for the period from November 1, 2010 through October 31, 2015 to that of the Morningstar Financial Services Sector Index and the Standard & Poor’s 500 Stock Index (“S&P 500 Index”) over the same period. The comparison assumes $100 was invested on October 31, 2010 in our Non-Voting Common Stock and the compared indices at the closing price on that day and assumes reinvestments of all dividends paid over the period.

Comparison of Five-Year Cumulative Total Shareholder Return

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 2015:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	**(c)** Total Number of Shares Purchased as Part of Publicly Announced Plans or **Programs**[(1)]	(d) Maximum Number of Shares that May Yet Be Purchased under the Plans or Programs
August 1, 2015 through August 31, 2015	250,330	$ 34.55	250,330	5,613,058
September 1, 2015 through September 30, 2015	1,095,391	$ 34.03	1,095,391	4,517,667
October 1, 2015 through October 31, 2015	1,290,535	$ 35.03	1,290,535	3,227,132
Total	2,636,256	$ 34.57	2,636,256	3,227,132

(1) *We announced a share repurchase program on April 15, 2015, which authorized the repurchase of up to 8,000,000 shares of our Non-Voting Common Stock in the open market and in private transactions in accordance with applicable securities laws. This repurchase program is not subject to an expiration date.*

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Item 6. Selected Financial Data

The following table contains selected financial data for the last five years. This data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 and our Consolidated Financial Statements and Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Financial Highlights

	For the Years Ended October 31,				
(in thousands, except per share data)	2015	2014	2013	2012	2011
Income Statement Data:					
Total revenue	$1,403,563	$1,450,294	$1,357,503	$1,209,036	$1,248,606
Net income*(1)*	238,191	321,164	230,426	264,768	227,574
Net income attributable to non-controlling and other beneficial interests*(2)*	7,892	16,848	36,585	61,303	12,672
Net income attributable to Eaton Vance Corp. shareholders*(1)*	230,299	304,316	193,841	203,465	214,902
Adjusted net income attributable to Eaton Vance Corp. shareholders*(3)*	274,990	309,627	262,942	223,331	245,118
Balance Sheet Data:					
Total assets*(4)*	$2,116,471	$1,860,086	$2,407,249	$1,979,491	$1,831,300
Debt*(5)*	573,811	573,655	573,499	500,000	500,000
Redeemable non-controlling interests (temporary equity)	88,913	107,466	74,856	98,765	100,824
Total Eaton Vance Corp. shareholders' equity	620,231	655,176	669,784	612,072	460,415
Non-redeemable non-controlling interests	1,725	2,305	1,755	1,513	889
Total permanent equity	621,956	657,481	671,539	613,585	461,304
Per Share Data:					
Earnings per share:					
Basic	$2.00	$2.55	$1.60	$1.76	$1.82
Diluted	1.92	2.44	1.53	1.72	1.75
Adjusted diluted*(3)*	2.29	2.48	2.08	1.89	2.00
Cash dividends declared	1.015	0.910	1.820	0.770	0.730

(1) Net income and net income attributable to Eaton Vance Corp. shareholders reflects a one-time payment of $73.0 million to terminate certain closed-end fund service and additional compensation arrangements with a distribution

partner in fiscal 2015.

(2) *Net income attributable to non-controlling and other beneficial interests reflects an increase (decrease) of $(0.2) million, $5.3 million, $24.3 million, $19.9 million and $30.2 million in the estimated redemption value of redeemable non-controlling interests in our majority-owned subsidiaries in fiscal 2015, 2014, 2013, 2012 and 2011, respectively. Net income attributable to non-controlling and other beneficial interests also includes net income (loss) of $(5.8) million, $(4.1) million, $(8.5) million, $22.6 million and $(34.5) million, respectively, in fiscal 2015, 2014, 2013, 2012 and 2011 substantially borne by other beneficial interest holders of consolidated CLO entities.*

(3) *Represents a non-U.S. GAAP financial measure. The Company defines adjusted net income attributable to Eaton Vance Corp. shareholders*

and adjusted earnings per diluted share as net income attributable to Eaton Vance Corp. shareholders and earnings per diluted share, respectively, adjusted to exclude changes in the estimated redemption value of non-controlling interests in our affiliates redeemable at other than fair value ("non-controlling interest value adjustments"), closed-end fund structuring fees, payments to end closed-end fund service and additional compensation arrangements and other items management deems non-recurring or non-operating in nature, or otherwise outside the ordinary course of business (such as special dividends, costs associated with the extinguishment of debt and tax settlements). Adjusted net income attributable to Eaton Vance Corp. shareholders and adjusted earnings per diluted share should not be construed to be a substitute for, or superior to, net income attributable to Eaton Vance Corp. shareholders and earnings per diluted share computed in accordance with accounting principles generally accepted in the United States of America. Our use of these adjusted numbers, including reconciliations of net income attributable to Eaton Vance Corp. shareholders to adjusted net income attributable to Eaton Vance Corp. shareholders and earnings per diluted share to adjusted earnings per diluted share, is discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this Annual Report on Form 10-K.

(4) Total assets on October 31, 2015, 2014, 2013, 2012 and 2011 include $467.1 million, $156.5 million, $728.1 million, $468.4 million and $481.8 million of assets held by consolidated CLO entities, respectively.

(5) In fiscal 2013, the Company tendered $250 million of its 6.5 percent Senior Notes due 2017 and issued $325 million of 3.625 percent Senior Notes due 2023. The Company recognized a loss on extinguishment of debt totaling $53.0 million in conjunction with the tender in fiscal 2013.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

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 products and services through multiple distribution channels. In executing this strategy, we have developed broadly diversified investment management capabilities and a highly functional marketing, distribution and customer service organization. Although we manage and distribute a wide range of investment products and services, we operate in one business segment, namely as an investment adviser to funds and separate accounts.

Through our subsidiaries Eaton Vance Management and Atlanta Capital Management, LLC ("Atlanta Capital") and 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 our subsidiary Parametric Portfolio Associates LLC ("Parametric"), we manage a range of engineered alpha strategies, including systematic equity, systematic alternatives and managed options strategies. Through Parametric, we also provide portfolio implementation and overlay services, including tax-managed core and specialty index strategies, centralized portfolio management of multi-manager portfolios and customized exposure management services. We also oversee the management of, and distribute, investment funds sub-advised by unaffiliated third-party managers, including global, regional and sector equity, and asset allocation strategies. Our breadth of investment management capabilities supports a wide range of products 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 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 a spectrum of absolute return strategies. As of October 31, 2015, we had $311.4 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 130 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 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.

Our revenue is derived primarily from investment advisory, administrative, distribution and service fees received from Eaton Vance and Parametric funds and investment advisory fees received from separate accounts. Our fees are based primarily on the value of the investment portfolios we manage and fluctuate with changes in the total value and mix of assets under management. As a matter of course, investors in our sponsored open-end funds and separate accounts have the ability to redeem their investments at any time, without prior notice, and there are no material restrictions that would prevent them from doing so. Our major expenses are employee compensation, distribution-related expenses, facilities expense and information technology expense.

Our discussion and analysis of our financial condition, results of operations and cash flows is based upon our Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to goodwill and intangible assets, income taxes, investments and stock-based compensation. We base our estimates on historical experience and on various assumptions that we believe to be reasonable under current circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

Business Developments

Please see “Recent Developments” within the Item 1 Business Section of this Annual Report on Form 10-K for a summary of recent developments in our business.

Consolidated Assets under Management

Consolidated assets under management were $311.4 billion on October 31, 2015, an increase of $13.6 billion, or 5 percent, from $297.7 billion of consolidated assets under management on October 31, 2014. Consolidated net inflows totaled $16.7 billion in fiscal 2015, representing an organic growth rate of 6 percent. Market price declines in managed assets reduced consolidated assets under management by $3.1 billion in fiscal 2015. Average consolidated assets under management increased by $15.6 billion, or 5 percent, to $303.8 billion for the year.

During fiscal 2015, the S&P 500 Index, a broad measure of U.S. equity market performance, returned 3.0 percent and the Barclays U.S. Aggregate Bond Index, a broad measure of U.S. bond market performance, returned 2.0 percent. The MSCI Emerging Market Index, a broad measure of emerging market equity performance, returned -16.6 percent in the period.

We report managed assets and flow data by investment mandate. In fiscal 2015, we provided an additional breakout of our assets and flows, separating “Exposure Management” from “Portfolio Implementation.” This separation better highlights the distinctive aspects of these growing business lines. The “Portfolio Implementation” category consists of Parametric’s tax-managed core and specialty index strategies and centralized portfolio management services. The “Exposure Management” category consists of Parametric’s futures- and options-based customized exposure management services.

Consolidated Assets under Management by Investment Mandate[1] [2]

(in millions)	October 31, 2015	% of Total	2014	% of Total	2013	% of Total	2015 vs. 2014	2014 vs. 2013
Equity[3]	$90,013	29 %	$96,379	33 %	$93,585	34 %	-7 %	3 %
Fixed income[4]	52,373	17 %	46,062	15 %	44,414	16 %	14 %	4 %
Floating-rate income	35,619	11 %	42,009	14 %	41,821	15 %	-15 %	0 %
Alternative	10,173	3 %	11,241	4 %	15,212	5 %	-10 %	-26 %
Portfolio implementation[5]	59,487	19 %	48,008	16 %	42,992	15 %	24 %	12 %
Exposure management[5]	63,689	21 %	54,036	18 %	42,645	15 %	18 %	27 %
Total	$311,354	100 %	$297,735	100 %	$280,669	100 %	5 %	6 %

(1) *Consolidated Eaton Vance Corp. See table on page 37 for managed assets and flows of 49 percent-owned Hexavest Inc., which are not included in the table above.*

(2) *Assets under management for which we estimate fair value using significant unobservable inputs are not material to the total value of the assets we manage.*

(3) *Includes assets in balanced accounts holding income securities.*

(4) *Includes assets in cash management accounts.*

(5) *Portfolio implementation and exposure management categories were previously reported as a single category, implementation services.*

Equity assets under management included $31.7 billion, $31.7 billion and $29.4 billion of assets managed for after-tax returns on October 31, 2015, 2014 and 2013, respectively. Portfolio implementation assets under management included $40.0 billion, $34.1 billion and $29.7 billion of custom core assets managed for after-tax returns on October 31, 2015, 2014 and 2013, respectively. Fixed income assets included $30.3 billion, $27.4 billion and $25.8 billion of tax-exempt municipal bond assets on October 31, 2015, 2014 and 2013, respectively.

The following tables summarize our consolidated assets under management and asset flows by investment mandate and investment vehicle for the fiscal years ended October 31, 2015, 2014 and 2013:

Consolidated Net Flows by Investment Mandate[1]

(in millions)	Years Ended October 31, 2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Equity assets - beginning of period[2]	$96,379	$93,585	$80,782	3 %	16 %
Sales and other inflows	18,082	14,473	16,989	25 %	-15 %
Redemptions/outflows	(22,993)	(19,099)	(19,459)	20 %	-2 %
Net flows	(4,911)	(4,626)	(2,470)	6 %	87 %
Assets acquired[4]	-	-	1,572	NM[3]	NM
Exchanges	50	567	328	-91 %	73 %
Market value change	(1,505)	6,853	13,373	NM	-49 %
Equity assets - end of period	**$90,013**	**$96,379**	**$93,585**	**-7 %**	**3 %**
Fixed income assets - beginning of period[5]	46,062	44,414	49,172	4 %	-10 %
Sales and other inflows	18,516	12,024	10,881	54 %	11 %
Redemptions/outflows	(11,325)	(11,867)	(14,015)	-5 %	-15 %
Net flows	7,191	157	(3,134)	NM	NM
Assets acquired[4]	-	-	472	NM	NM
Exchanges	52	96	(510)	-46 %	NM
Market value change	(932)	1,395	(1,586)	NM	NM
Fixed income assets - end of period	**$52,373**	**$46,062**	**$44,414**	**14 %**	**4 %**
Floating-rate income assets - beginning of period	42,009	41,821	26,388	0 %	58 %
Sales and other inflows	9,336	15,669	21,729	-40 %	-28 %
Redemptions/outflows	(14,376)	(14,742)	(6,871)	-2 %	115 %
Net flows	(5,040)	927	14,858	NM	-94 %
Exchanges	(136)	(145)	397	-6 %	NM
Market value change	(1,214)	(594)	178	104 %	NM
Floating-rate income assets - end of period	**$35,619**	**$42,009**	**$41,821**	**-15 %**	**0 %**
Alternative assets - beginning of period	11,241	15,212	12,864	-26 %	18 %
Sales and other inflows	3,219	3,339	8,195	-4 %	-59 %
Redemptions/outflows	(3,892)	(7,237)	(5,688)	-46 %	27 %
Net flows	(673)	(3,898)	2,507	-83 %	NM
Assets acquired[4]	-	-	650	NM	NM
Exchanges	24	(89)	(184)	NM	-52 %
Market value change	(419)	16	(625)	NM	NM
Alternative assets - end of period	**$10,173**	**$11,241**	**$15,212**	**-10 %**	**-26 %**
Portfolio implementation assets - beginning of period[6]	48,008	42,992	30,302	12 %	42 %
Sales and other inflows	18,034	8,331	9,674	116 %	-14 %
Redemptions/outflows	(7,217)	(7,449)	(5,493)	-3 %	36 %
Net flows	10,817	882	4,181	NM	-79 %
Assets acquired[4]	-	-	32	NM	NM
Exchanges	-	(461)	(118)	NM	291 %
Market value change	662	4,595	8,595	-86 %	-47 %
Portfolio implementation assets - end of period	**$59,487**	**$48,008**	**$42,992**	**24 %**	**12 %**
Exposure management assets - end of period[6]	54,036	42,645	-	27 %	NM

Sales and other inflows	57,586	52,914	30,167	9 %	75 %
Redemptions/outflows	(48,286)	(43,604)	(21,394)	11 %	104 %
Net flows	9,300	9,310	8,773	0 %	6 %
Assets acquired[(4)]	-	-	32,032	NM	NM
Market value change	353	2,081	1,840	-83 %	13 %
Exposure management assets - end of period	**$63,689**	**$54,036**	**$42,645**	**18 %**	**27 %**
Total fund and separate account assets - beginning of period	297,735	280,669	199,508	6 %	41 %
Sales and other inflows	124,773	106,750	97,635	17 %	9 %
Redemptions/outflows	(108,089)	(103,998)	(72,920)	4 %	43 %
Net flows	16,684	2,752	24,715	506 %	-89 %
Assets acquired[(4)]	-	-	34,758	NM	NM
Exchanges	(10)	(32)	(87)	-69 %	-63 %
Market value change	(3,055)	14,346	21,775	NM	-34 %
Total assets under management - end of period	**$311,354**	**$297,735**	**$280,669**	**5 %**	**6 %**

(1) *Consolidated Eaton Vance Corp. See table on page 37 for managed assets and flows of 49 percent-owned Hexavest Inc., which are not included in the table above.*

(2) *Includes assets in balanced accounts holding income securities.*

(3) *Not meaningful ("NM").*

(4) *Represents assets acquired in the purchase of The Clifton Group Investment Management Company on December 31, 2012.*

(5) *Includes assets in cash management accounts.*

(6) *Portfolio implementation and exposure management categories were previously reported as a single category, implementation services.*

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Consolidated Net Flows by Investment Vehicle[1]

(in millions)	Years Ended October 31, 2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Fund assets - beginning of period[2]	$134,564	$133,401	$113,418	1 %	18 %
Sales and other inflows	32,029	35,408	43,606	-10 %	-19 %
Redemptions/outflows	(36,330)	(38,077)	(29,970)	-5 %	27 %
Net flows	(4,301)	(2,669)	13,636	61 %	NM
Assets acquired[3]	-	-	638	NM	NM
Exchanges	181	(32)	(279)	NM	-89 %
Market value change	(4,510)	3,864	5,988	NM	-35 %
Fund assets - end of period	$125,934	$134,564	$133,401	-6 %	1 %
Institutional separate account assets - beginning of period[4]	106,443	95,724	43,338	11 %	121 %
Sales and other inflows	75,568	59,938	41,108	26 %	46 %
Redemptions/outflows	(61,569)	(54,957)	(31,548)	12 %	74 %
Net flows	13,999	4,981	9,560	181 %	-48 %
Assets acquired[3]	-	-	34,120	NM	NM
Exchanges	(208)	216	183	NM	18 %
Market value change	(247)	5,522	8,523	NM	-35 %
Institutional separate account assets - end of period	$119,987	$106,443	$95,724	13 %	11 %
High-net-worth separate account assets - beginning of period	22,235	19,699	15,036	13 %	31 %
Sales and other inflows	4,816	3,532	4,763	36 %	-26 %
Redemptions/outflows	(2,933)	(3,620)	(3,699)	-19 %	-2 %
Net flows	1,883	(88)	1,064	NM	NM
Exchanges	(99)	286	(16)	NM	NM
Market value change	497	2,338	3,615	-79 %	-35 %
High-net-worth separate account assets - end of period	$24,516	$22,235	$19,699	10 %	13 %
Retail managed account assets - beginning of period	34,493	31,845	27,716	8 %	15 %
Sales and other inflows	12,360	7,872	8,158	57 %	-4 %
Redemptions/outflows	(7,257)	(7,344)	(7,703)	-1 %	-5 %
Net flows	5,103	528	455	866 %	16 %
Exchanges	116	(502)	25	NM	NM
Market value change	1,205	2,622	3,649	-54 %	-28 %
Retail managed account assets - end of period	$40,917	$34,493	$31,845	19 %	8 %
Total fund and separate account assets - beginning of period	297,735	280,669	199,508	6 %	41 %
Sales and other inflows	124,773	106,750	97,635	17 %	9 %
Redemptions/outflows	(108,089)	(103,998)	(72,920)	4 %	43 %
Net flows	16,684	2,752	24,715	506 %	-89 %
Assets acquired[3]	-	-	34,758	NM	NM
Exchanges	(10)	(32)	(87)	-69 %	-63 %
Market value change	(3,055)	14,346	21,775	NM	-34 %
Total assets under management - end of period	$311,354	$297,735	$280,669	5 %	6 %

(1) *Consolidated Eaton Vance Corp. See table on page 37 for managed assets and flows of 49 percent-owned Hexavest Inc., which are not included in the table above.*

(2) *Includes assets in cash management funds.*

(3) *Represents assets acquired in the purchase of The Clifton Group Investment Management Company on December 31, 2012.*

(4) *Includes assets in cash management separate accounts.*

The following table summarizes our assets under management by investment affiliate as of October 31, 2015, 2014 and 2013:

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

	Years Ended October 31,			2015 vs. 2014	2014 vs. 2013
(in millions)	2015	2014	2013		
Eaton Vance Management[2]	$141,415	$143,100	$144,729	-1 %	-1 %
Parametric	152,506	136,176	117,008	12 %	16 %
Atlanta Capital	17,433	18,459	18,932	-6 %	-2 %
Total	$311,354	$297,735	$280,669	5 %	6 %

(1) Consolidated Eaton Vance Corp. See table on page 37 for managed assets and flows of 49 percent-owned Hexavest Inc., which are not included in the table above.

(2) Includes managed assets of wholly owned subsidiaries, as well as certain Eaton Vance-sponsored funds and accounts managed by Hexavest and unaffiliated third-party advisers under Eaton Vance supervision.

As of October 31, 2015, 49 percent-owned affiliate Hexavest Inc. (“Hexavest”) managed $13.9 billion of client assets, a decrease of 16 percent from $16.7 billion of managed assets on October 31, 2014. 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 consolidated totals.

The following table summarizes assets under management and asset flow information for Hexavest for the fiscal years ended October 31, 2015, 2014 and 2013:

Hexavest Assets under Management and Net Flows

(in millions)	Years Ended October 31, 2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Eaton Vance distributed:					
Eaton Vance sponsored funds – beginning of period[1]	$227	$211	$37	8 %	470 %
Sales and other inflows	22	58	162	-62 %	-64 %
Redemptions/outflows	(21)	(57)	(15)	-63 %	280 %
Net flows	1	1	147	0 %	-99 %
Market value change	1	15	27	-93 %	-44 %
Eaton Vance sponsored funds – end of period	$229	$227	$211	1 %	8 %
Eaton Vance distributed separate accounts – beginning of period[2]	$2,367	$1,574	$-	50 %	NM
Sales and other inflows	535	531	1,381	1 %	-62 %
Redemptions/outflows	(488)	(260)	(33)	88 %	688 %
Net flows	47	271	1,348	-83 %	-80 %
Exchanges	-	389	-	NM	NM
Market value change	26	133	226	-80 %	-41 %
Eaton Vance distributed separate accounts – end of period	$2,440	$2,367	$1,574	3 %	50 %
Total Eaton Vance distributed – beginning of period	$2,594	$1,785	$37	45 %	NM
Sales and other inflows	557	589	1,543	-5 %	-62 %
Redemptions/outflows	(509)	(317)	(48)	61 %	560 %
Net flows	48	272	1,495	-82 %	-82 %
Exchanges	-	389	-	NM	NM
Market value change	27	148	253	-82 %	-42 %
Total Eaton Vance distributed – end of period	$2,669	$2,594	$1,785	3 %	45 %
Hexavest directly distributed – beginning of period[3]	$14,101	$15,136	$12,073	-7 %	25 %
Sales and other inflows	786	1,637	2,703	-52 %	-39 %
Redemptions/outflows	(3,503)	(3,046)	(1,853)	15 %	64 %
Net flows	(2,717)	(1,409)	850	93 %	NM
Exchanges	-	(389)	-	NM	NM
Market value change	(105)	763	2,213	NM	-66 %
Hexavest directly distributed – end of period	$11,279	$14,101	$15,136	-20 %	-7 %
Total Hexavest assets – beginning of period	$16,695	$16,921	$12,110	-1 %	40 %
Sales and other inflows	1,343	2,226	4,246	-40 %	-48 %
Redemptions/outflows	(4,012)	(3,363)	(1,901)	19 %	77 %
Net flows	(2,669)	(1,137)	2,345	135 %	NM
Exchanges	-	-	-	NM	NM
Market value change	(78)	911	2,466	NM	-63 %
Total Hexavest assets – end of period	$13,948	$16,695	$16,921	-16 %	-1 %

(1) *Managed assets and flows of Eaton Vance-sponsored pooled investment vehicles for which Hexavest is adviser or sub-adviser. Eaton Vance receives management and/or distribution revenue on these assets, which are included in the Eaton Vance consolidated results.*

(2) *Managed assets and flows of Eaton Vance-distributed separate accounts managed by Hexavest. Eaton Vance receives distribution revenue, but not investment advisory fees, on these assets, which are not included in the Eaton Vance consolidated results.*

(3) *Managed assets and flows of pre-transaction Hexavest clients and post-transaction Hexavest clients in Canada. Eaton Vance receives no investment advisory or distribution revenue on these assets, which are not included in the Eaton Vance consolidated results.*

We currently sell open-end mutual funds under the Eaton Vance and Parametric brands in five primary pricing structures: front-end load commission ("Class A"); level-load commission ("Class C"); 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"). We waive the front-end sales load on Class A shares under certain circumstances and sell such shares at net asset value. Class A shares are offered at net asset value (without a sales charge) to tax-deferred retirement plans and deferred

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compensation plans, and to clients of financial intermediaries who charge an ongoing fee for advisory, investment, consulting or similar services. Class A shares are also offered at net asset value to clients of financial intermediaries that have entered into an agreement with EVD to offer Class A shares through a no-load network or platform, to certain separate account clients of Eaton Vance and its affiliates, and to certain persons affiliated with Eaton Vance.

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

	October 31,						2015	2014
		% of		% of		% of	vs.	vs.
(in millions)	2015	Total	2014	Total	2013	Total	2014	2013
Open-end funds:								
Class A	$23,593	8 %	$26,955	9 %	$29,989	11 %	-12 %	-10 %
Class B	299	0 %	449	0 %	662	0 %	-33 %	-32 %
Class C	8,891	3 %	9,466	3 %	9,800	3 %	-6 %	-3 %
Class I[(2)]	38,168	12 %	42,073	14 %	42,331	15 %	-9 %	-1 %
Class N	1,461	0 %	1,773	1 %	2,311	1 %	-18 %	-23 %
Class R	516	0 %	445	0 %	373	0 %	16 %	19 %
Other	1,910	1 %	2,015	1 %	1,524	1 %	-5 %	32 %
Total open-end funds	74,838	24 %	83,176	28 %	86,990	31 %	-10 %	-4 %
Private funds[(3)]	26,647	8 %	25,969	9 %	21,500	8 %	3 %	21 %
Closed-end funds	24,449	8 %	25,419	8 %	24,911	9 %	-4 %	2 %
Total fund assets	125,934	40 %	134,564	45 %	133,401	48 %	-6 %	1 %
Institutional account assets[(4)]	119,987	39 %	106,443	36 %	95,724	34 %	13 %	11 %
High-net-worth account assets	24,516	8 %	22,235	7 %	19,699	7 %	10 %	13 %
Retail managed account assets	40,917	13 %	34,493	12 %	31,845	11 %	19 %	8 %
Total separate account assets	185,420	60 %	163,171	55 %	147,268	52 %	14 %	11 %
Total	$311,354	100 %	$297,735	100 %	$280,669	100 %	5 %	6 %

(1) Consolidated Eaton Vance Corp. See table on page 37 for managed assets and flows of 49 percent-owned Hexavest Inc., which are not included in the table above.

(2) Includes Class R6 shares.

(3) Includes privately offered equity, fixed income and floating-rate income funds and CLO entities.

(4) Includes assets in institutional cash management separate accounts.

Consolidated average assets under management presented in the following tables represent a monthly average by investment vehicle and mandate. These tables are intended to provide information useful in the analysis of our asset-based revenue and distribution expenses. Separate account investment advisory fees are generally calculated as a percentage of either beginning, average or ending quarterly assets. Fund investment advisory, administrative, distribution and service fees, as well as certain expenses, are generally calculated as a percentage of average daily assets.

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Consolidated Average Assets under Management by Product[(1)]

(in millions)	Years Ended October 31, 2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Open-end funds:					
Class A	$25,103	$27,338	$29,550	-8 %	-7 %
Class B	370	571	813	-35 %	-30 %
Class C	9,198	9,656	9,814	-5 %	-2 %
Class I[(2)]	40,585	42,245	36,986	-4 %	14 %
Class N	1,561	3,888	1,885	-60 %	106 %
Class R	482	412	329	17 %	25 %
Other	1,810	1,795	923	1 %	94 %
Total open-end funds	79,109	85,905	80,300	-8 %	7 %
Private funds[(3)]	26,141	23,617	19,756	11 %	20 %
Closed-end funds	24,956	25,395	23,945		