



[INSIGHTS](#)

[STRATEGIES](#)

[FUNDS](#)

[RESOURCES](#)

[ABOUT](#)

For forward thinking investors

At Eaton Vance, we focus on the future to help you stay ahead of the markets today.

We are a global asset management firm with a network of specialised investment teams engaged across asset classes, each with their own expertise and unique perspective. Our extensive research and focus on intelligent downside risk management serves professional investors with innovative strategies and services.

We have a long track record of helping professional investors prepare for market-cycle complexities with a strategic, proactive approach. This progressive mindset helps professional investors position themselves for success in today's fast-changing world.

STRATEGIES

[Fixed and floating rate income, equity and alternative strategies tailored for institutional clients](#) ➤

FUNDS

[Equity fund solutions](#) ➤

EXPERT INSIGHTS

[HIGH CONVICTION ACTIVE](#)

[Artificial Intelligence from a Value Perspective: Enabling the Evolution of Compute Power](#)

April 24, 2024

KEY POINTS

1. AI opportunity expands beyond the growth darlings that were the immediate and primary beneficiaries over the past year.
2. Utilities experienced the largest historical relative underperformance to the broader market in 2023; in our view, the reward relative to risk is now quite compelling for a sector that is experiencing an inflection in fundamentals.
3. We believe renewables, such as solar and wind, combined with battery storage, will play an increasing role in behind-the-meter power solutions.



Aaron Dunn, CFA
Co-Head of Value
Equity
Portfolio Manager
Eaton Vance Equity



Bradley Galko, CFA
Co-Head of Value
Equity
Portfolio Manager
Eaton Vance Equity

200 Years of Data Affirm Our Long-Term Confidence in the 60/40 Portfolio

April 15, 2024

KEY POINTS

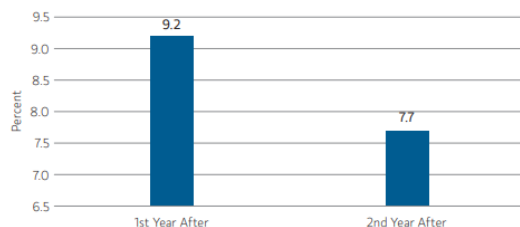
1. The 60/40 portfolio experienced a rollercoaster ride, down 17.5% in 2022 and up 17.2% in 2023.¹
2. Whenever U.S. inflation exceeded 2.4%, there was an increase in the median correlation between stock and bond returns.
3. Two hundred years of historical analysis suggests there is an 80% probability of positive returns in the two years following a year of negative returns for both stocks and bonds.

The 60/40 portfolio, defined here as a mix of 60% U.S. equities and 40% U.S. Treasury bonds¹, experienced a rollercoaster ride, dipping 17.5% in 2022 and rising 17.2% in 2023. Many market participants, perhaps fueled by a recency bias² belief that the declines of 2022 would persist, questioned the value of the traditional strategy. In our view, those concerns were overstated.

Since 2000, bonds often offered an effective hedge against equity-led losses. However, this dynamic dramatically changed in 2022 when both bonds and stocks produced negative returns, resulting in the worst performance of the 60/40 portfolio since 1937.

Returns of 60/40 Seen Improving in the Two Years Following Sharply Negative Returns for Both Equities and Bonds

60/40 median returns in year 1 and year 2 post a year when both are negative. Past performance is no guarantee of future results.



Source: MSIM, Bloomberg, FactSet, Haver. As of December 31, 2023. Data is based on historical trends and is subject to change. The information is not intended to predict the future performance of any specific investment or Morgan Stanley product.

A unique set of circumstances led to the challenging 2022 macro conditions, and we had predicted that the 60/40 strategy would rebound. Two-hundred years of historical analysis suggests there is an 80% probability of positive returns in the two years following a year of negative returns for both stocks and bonds. Last year, stocks surged with the S&P, gaining 26.3%, and U.S. 10-year treasuries rose 3.6%. As a result, the 60/40 mix returned 17.2%, far above its historical annual median return of +7.8%.

Analyzing the data reveals inflation has been the most

Proxy Season Recap — And What's in Store for 2024

April 4, 2024

The 2022-23 proxy season saw climate change continue to be the focus of most environmental, social and governance (ESG) proposals, with executive compensation and workforce practices also drawing scrutiny.

INVESTMENT BRANDS

Through our investment brands, we offer active, passive, rules-based and responsible investing strategies that go beyond traditional, mainstream strategies.



[Insights](#)

[Strategies](#)

[Funds](#)

[About](#)

[Contact](#)

INTERNATIONAL HEADQUARTERS

125 Old Broad Street
London, EC2N 1AR
United Kingdom

[Accessibility](#)

[Privacy & Cookies](#)

[Legal Information](#)

[Terms of Use](#)

[Key Investor Information Documents](#)

[Principles for Responsible Investment](#)

Marketing Communication

To report a website vulnerability, please go to [Responsible Disclosure](#).

Eaton Vance is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley.

This website is operated by MSIM Fund Management (Ireland) Limited (MSIM FMIL). The business of Eaton Vance Global Advisors Limited was transferred to MSIM FMIL on 1 October 2021. MSIM Fund Management (Ireland) Limited has been appointed as management company of the Eaton Vance International (Ireland) Funds plc and is responsible for the distribution of the funds together with the distribution of Eaton Vance strategies and strategies of Eaton Vance affiliates. For any queries in respect of the products and strategies referred to on this website, please contact MSIM FMIL at 7-11 Sir John Rogerson's Quay, Dublin 2, D02 VC42, Ireland. MSIM FMIL is regulated by the Central Bank of Ireland with Company Number: 616661.

The value of your investment can go up or down so you may get back less than your initial investment. Past performance is not a guide to future returns.

The information on this webpage is not intended for U.S. residents. To visit our U.S. website [please click here](#).

Eaton Vance Management (Registration No. 1121368) and Parametric Portfolio Associates (Registration No. 1217626) are the registered trade marks of Eaton Vance.

Publication details: Thursday, October 19, 2023 8:47 AM

Page ID: 16329 - <https://www.eatonvance.se/>