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# Floating-Rate Loan Strategy



## Monthly Strategy Review

*(as of Sep 30, 2021)*



## Quarterly Strategy Profile

*(as of Jun 30, 2021)*

## Investment Overview

This strategy provides "intelligent exposure" to the floating-rate loan market, thoughtfully diversifying while assuming a higher-quality bias that seeks lower volatility and better risk-adjusted performance over time.

- Target excess return: 25-75 basis points.
- Target tracking error range: 100-200 basis points.
- We aim to maximize risk-adjusted performance through fundamental credit research and risk-weighted portfolio optimization.
- Loans are analyzed through Eaton Vance's proprietary credit research process, and position sizes are guided by credit analyst risk rankings.
- We take less input risk by skewing weightings away from higher credit risk issuers.
- We have experienced less output risk, resulting in lower absolute and relative volatility.
- Eaton Vance is a leader in floating-rate loans, with one of the longest track records and longest-tenure teams, and largest AUM.\*

\*eVestment Alliance/Morningstar, 12/31/2020 Based on combined eVestment Alliance Floating-Rate Bank Loan Fixed Income universe and Morningstar Bank Loan category using AUM and oldest investment offering for each firm.

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## Portfolio Construction

- Analysts assign relative risk rankings to each loan
- Number of loans approximately equal weighted by risk quintile
- Market value incrementally skewed toward lower risk
- Initial position size ranges from 0.1% to 1.5% as determined by risk rank
- Portfolio is perpetually optimized for risk and return

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## Investment Team



Craig Russ  
Co-director of floating-rate loans,  
portfolio manager

33 years of industry  
experience  
22 years with Eaton Vance

BA, Middlebury College



Andrew Sveen, CFA  
Co-director of floating-rate loans,  
portfolio manager

25 years of industry  
experience  
21 years with Eaton Vance

BA, Dartmouth College  
MBA, University of  
Rochester



John Redding  
Portfolio manager

35 years of industry  
experience  
22 years with Eaton Vance

BS, State University of New  
York - Albany



Ralph Hinckley, CFA  
Portfolio manager, senior research  
analyst

22 years of industry  
experience  
16 years with Eaton Vance

BA, Bates College  
MBA, Boston University  
Graduate School of  
Management

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## Benchmark

- S&P/LSTA Leveraged Loan Index
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