

Floating-Rate Loan Strategy



Strategy Review

(as of Jun 30, 2022)

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: 25-50 basis points.
- Target tracking error range: 100-200 basis points.
- We aim to maximise risk-adjusted performance through fundamental credit research and risk-weighted portfolio optimisation.
- Loans are analysed 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-tenured teams, and largest AUM.*

*eVestment Alliance/Morningstar, 12/31/2021 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.

Portfolio Construction

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

Investment Team



Andrew Sveen, CFA
Managing Director, Head of Floating-Rate Loans

Joined investment management industry in 1995
Joined Eaton Vance in 1999

BA, Dartmouth College, MBA, University of Rochester



Ralph Hinckley, CFA
Managing Director, Portfolio Manager

Joined investment management industry in 1997
Joined Eaton Vance in 2003

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



Heath Christensen, CFA
Executive Director, Portfolio Manager

Joined investment management industry in 1999
Joined Eaton Vance in 2003

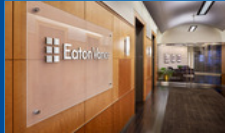
BS., The Pennsylvania State University

Benchmark

- S&P/LSTA Leveraged Loan Index

Related Content

- [Floating-Rate Loan Market Monitor](#)

[Insights](#)[Strategies](#)[Funds](#)[About](#)[Contact](#)

INTERNATIONAL HEADQUARTERS

125 Old Broad Street
London, EC2N 1AR
United Kingdom

[Accessibility](#) | [Privacy Policy](#) | [Legal Information](#) | [Terms of Use](#) | [Cookies Policy](#) | [Key Investor Information Documents](#) | [Principles for Responsible Investment](#) | [Eaton Vance's Approach to Tax](#) | [Sustainability Risks Policy](#) | [Modern Slavery Statement](#)

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 site (www.eatonvance.co.uk) is operated by Eaton Vance Management (International) Limited ("We"). We are a limited company, registered in England and Wales under company number 4228294 and have our registered office at 125 Old Broad Street, London, EC2N 1AR. Our VAT number is 762717416.

Eaton Vance Management (International) Limited is authorised and regulated by the Financial Conduct Authority ("FCA") and is entered on the FCA's register with register number 208634.

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: Sunday, August 14, 2022 12:19 AM

Page ID: T50869 - <https://www.eatonvance.co.uk/floating-rate-loan-strategy.php>